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Leadership Succession and Performance: An Application to College Football

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This article examines the impact of leader succession on organizational performance. We argue that both time and size of program are critical factors that need to be considered to appropriately determine the impacts of the leader succession on performance. We focus our analysis on the National Collegiate Athletic Association (NCAA) Football Bowl Subdivision (FBS) and examine the effect of performance-related coaching firings on on-field performance (win-loss percentage, Sagarin rating, Sagarin rank) and financial performance (team revenue). We cluster teams into three categories based on revenue and analyze team performance following leader succession after the first, second, and fourth year following the change. While most studies in this area report findings consistent with vicious cycle theory or ritual scapegoating, our findings offer primary support for common sense theory and ritual scapegoating, contingent on time and the size of the program as determined by team revenue.

The impact of leader succession on organizational performance is a topic of interest in strategic leadership and sports (Cannella & Rowe, 1995; Giambatista, 2004; Rowe, Cannella, Rankin, & Gorman, 2005). Existing research has identified three primary perspectives in determining the impact of leader succession on organizational performance. These indicate that leaders positively (common sense theory), negatively (vicious cycle theory), or in no way (ritual scapegoating theory) impact organizational performance. Evidence to support these perspectives is critical because they lead to conclude whether leaders matter in organizational performance.

Researchers have made the argument that leaders do in fact matter and that the calculated decisions by leaders impact organizational performance (Chatterjee, Lubatkin, & Schulze, 1999). This positive viewpoint indicates that leaders can substantially alter organizations (Tichy & Devanna, 1986; Tichy & Sherman, 1993). However, this concept of leaders holding great influence over organizational outcomes is not a universal viewpoint. Other researchers have maintained a more doubtful view of leadership, arguing that the impact of leaders is often romanticized (Meindl, Ehrlich, & Dukerich, 1985). In effect, "some theorists have set forth cogent arguments about the strict limits within which executives operate. Empirical evidence has been presented that, at least on its face, suggests that top executives have far less effect than other factors on organizations" (Finkelstein & Ham-

brick, 1996, p. 21). Such factors include environmental constraints, organizational constraints, and institutional factors.

These arguments for and against the influence of leaders operate with two underlying premises: one, that regardless of whether leaders positively or negatively impact organizations, this is indicative that they do in fact matter; and two, if leaders do not affect performance, then they do not matter (Rowe et al., 2005). However, Rowe et al. (2005) move on from the question of whether they matter to address the question of *when* they matter. That is, when is leader succession likely to have a positive impact, no impact, or a negative impact on performance? This question fuels our research as well.

Applications of succession theory to sports abound and most report evidence of leadership succession negatively impacting performance (vicious cycle) or having no impact on performance (ritual scapegoating). However, there are several concerns with the current research on leadership succession and performance, particularly with sport team performance. As previously indicated by Rowe et al., (2005) "sport teams are excellent samples for studying the succession-performance relationships" (p. 199), but other studies fail to consider the important factor of time, especially the long term impact. In fact, most studies consider within-season succession and between-season succession and only focus on the subsequent year following the succession. This interval may be too short to ascertain all the implications associated with the succession. Second, the majority of studies measure performance solely with win-loss records. While this is telling, additional measures of performance, such as generated revenue and other measures of on-field com-

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petitiveness have yet to be examined. Third, studies that base their analysis on football lump together all programs irrespective of their perceived size.

Our paper makes four primary contributions. First, we agree with Rowe et al. (2005), Soebbing and Washington (2011), Holmes (2011), and Adler, Berry, and Doherty (2013) that existing studies do not address the long-term impact of leadership succession. We provide a more longitudinal examination of succession by examining three time periods: the first, second, and fourth year following a performance base coaching change. Second, whereas most studies focus on win-loss records as measures of team performance, we add Sagarin ratings and Sagarin ranks for on-field performance, which, in addition to delineating teams with identical win-loss records, takes a host of additional factors into consideration, such as strength of schedule. We also examine financial performance measures consisting of program revenue and expenses given that announced changes at the executive level are typically associated with changes in the value of the firm (Beatty & Zajac, 1987). Financial performance measures also provide additional insight to the organization's resources, system, and institutional impact (Finkelstein & Hambrick, 1996). Hence, these outcomes allow for a more thorough examination of the effect of leader succession on overall organizational performance. Third, we narrow the scope of coaching changes from Soebbing and Washington's (2011) succession study by only including performance-related firings and exclude other types of coaching changes such as voluntary turnover, ethical-related replacements, or retirements. Finally, we build upon the findings of Adler et al. (2013) by clustering the FBS teams in high-, mid-, and low-revenue categories rather than grouping them according to their win-loss record. We use the clusters as a proxy variable for the contextual factor of organizational size.

In the next section, we provide an overview of the perspectives of leadership succession and supporting studies. Next, we develop our theoretical framework and hypotheses. As illustrated in Figure 1, we use organizational learning theory and time-compression diseconomies as our theoretical framework to support our proposal for expanding the time frame from which to consider the effects of leadership succession on performance. This theoretical framework sets the foundation that justifies incoming leaders needing time to restructure the learning process and incorporate their approach to leadership, thereby allowing for a more accurate assessment of their impact. We also use executive discretion to augment the framework and support our proposal for clustering teams in high-, mid-, and low-revenue categories. We are then able to more precisely predict when leader succession is likely to have a positive influence (common sense), negative influence (vicious cycle), or no influence (ritual scapegoating) on organizational performance. We then detail our methodology and present the results of our hypotheses. Lastly, we discuss our results and the implications for research and practice related to organizations and sports organizations.

Perspectives of Leadership Succession: Common Sense, Vicious Cycle, and Ritual Scapegoating Theories

Three main perspectives emerge from the leadership succession literature pertaining to the relationships between succession and organizational performance: common sense theory, vicious cycle theory, and ritual scapegoating. According to common sense theory, replacing a failing leader will have a positive impact on organizational performance. With regard to vicious cycle theory, the succession will have an immediate negative impact on organizational performance due to the disruption imposed on current systems and the time it takes for a leader to learn the dynamics of the organization ("things get worse before they get better"). Therefore, the cyclical process begins anew when the new leader fails to meet expectations. Finally, ritual scapegoating theory proposes that leadership succession has no relationship to organizational performance, indicating that success or failure is attributed inaccurately to the leader.

These theoretical perspectives were developed, analyzed, and critiqued in the context of managerial changes in major league baseball (Grusky, 1960, 1963, 1964; Gamson & Scotch, 1964). Grusky's work in which performance was measured using more than 50 years of win-loss records was seminal on many fronts, including the rationale that connected organizational leadership changes to the succession of coaches. Teams within a league form a group of both distinct and homogeneous units that are relatively easy to compare in terms of market, competitive strategy, operations, and performance. They have the same number of players, play the same number of regular season games, and start the season with the same goal of winning enough games to qualify for postseason. The win-loss approach also provides a consistent performance measure both internally (to compare with previous seasons) and externally (to compare against other teams).

The literature on leadership succession theories and coaching changes has spanned a number of sports and settings since the work of Grusky. Although his research focused on baseball, other authors have since applied these perspectives to basketball, football, hockey, and soccer. For instance, Brown (1982) looked at coaching changes and win-loss records for the (then) 26 teams of the National Football Leagues from 1970 to 1978. Another study focused on Serie A Italian soccer teams from 1997 to 2008 and within-season coaching changes. The findings of most studies have contributed mixed results to the literature.

Supporting common sense theory, Allen, Panian, and Lotz (1979) determined that between-seasons changes between 1920 and 1973 had a more positive effect on team performance than within-season changes in major league baseball, and that internal successions trumped external replacements in the short term. When controlling for the competence of the incoming coach for 22 NBA teams, Pfeffer and Blake (1986) found that performance improved,

Figure 1 — Theoretical framework with our contributions featured in bold.

indicating that the cause was not attributable to the change itself, but to the incoming coach's experience and record.

Vicious cycle theory has garnered support from various studies in the literature as well. Fizel and D'Itri (1997) studied college basketball teams from 1984 to 1991 and found that when teams dismissed coaches from losing teams, they actually ended up performing worse, supporting the views of vicious cycle theory. In addition, an English football study that focused on in-season changes from 1972 to 1999 found that those teams with a change underperformed over the 3 months following the change (Audas, Dobson, & Goddard, 2002).

As for ritual scapegoating, the following studies offer their support for the position that coaching change does not impact performance. DePaola and Scoppa (2012) used matching estimates to confirm that the number of goals scored or conceded and points per match were not impacted by a coaching change. Their findings support, with qualifications, the views of ritual scapegoating. Similarly, Koning (2000) studied coaching changes in the Dutch premier soccer league and the impact of "shock effect" on player improvement under new leadership and revealed that firing a coach did not improve team performance. Interestingly, Koning (2000) further argues that coaches are released too often and that other factors determine the fate of the coach such as pressure from media, fans, or team ownership.

Theoretical Framework and Hypotheses

Our study focuses on when and where leaders are likely to matter. We integrate two factors that have received limited exposure in the leadership succession literature: time and organizational size. With regard to time, we examine the impact of the succession event over the short term (one and two years following the change), and also over a longer term, namely 4 years, to provide a more comprehensive account on organizational performance. We looked at a 4-year interval since this represents a typical recruiting cycle (Soebbing & Washington, 2011). Previous research has focused on short term impacts, such as within-season, between-season, or one year following the succession event. We draw upon the theoretical framework of organizational learning theory and time compression diseconomies as justification for the extended time period. We further propose, with regard to organizational size, the use of executive discretion theory to explain why the influence of leadership succession is contingent on organizational characteristics, particularly firm size.

Figure 1 details our theoretical framework and contributions. Overall, "leader succession is usually assumed to be the result of organizations striving for strategic renewal by changing their leaders" (Rowe et al., 2005, p. 201). The principal means for this achievement is through the process of organizational learning (Crossan, Lane, & White, 1999). Concerns surrounding organizational learn-

ing and time compression diseconomies warrant a long-term analysis. In addition, strategic renewal is described to be contingent on the amount of executive discretion available to the new leader (latitude of action or leeway) in influencing organizational performance. Forces impacting executive discretion include environmental, managerial, and organizational factors (Finkelstein & Hambrick, 1996). We focus on organizational factors, specifically size, where we determine size with revenues. Given the one, two and four year analyses combined with the organization's size, we can better explain when and where leadership succession is likely to result in a positive impact (common sense theory), negative impact (vicious cycle theory), or no impact (ritual scapegoating theory) on performance, measured with win-loss records, Sagarin ratings, Sagarin ranks, and team revenues.

Leadership Succession

When testing leadership succession theories, existing research has focused more on short-term rather than long-term impact on performance following a succession. In sports settings, some argue that the short-term impact is best observed when a change takes place during a season since such timing exacts maximum disruption (Fizel & D'Itri, 1997; Koning, 2000; Audas, Dobson, & Goddard, 2002). This is indeed appropriate for sports in which large sets of data are available (baseball, basketball, or hockey seasons have more than 80 games per season). A college football team, however, typically plays 12 games exclusive of playoff or bowl games, so firings or retirements rarely occur midseason. An end-of-season announcement also gives time for the team to interview potential replacements, which requires a careful analysis of who is available and would be a good fit with the school's culture and system (Scully, 1995; Soebbing & Washington, 2011). Incoming coaches sign their new contract in winter or spring, which limits their ability to adapt to their new environment, hire new staff, recruit new players, and set up training and practice regimens during their first year. Coaches typically sign 4- to 5-year contracts and the typical recruiting cycle is 4 years. Therefore, a new head coach will likely be given a full cycle of his own recruiting, training, and game strategies (Holmes, 2011).

Strategic Renewal

Often the primary focus of leader succession is strategic renewal. This underlying premise is achieved through organizational learning (Crossan et al., 1999). However, in the presence of strategic renewal and exploration, there is still the expectation that this learning process will take place concurrently with the process of exploiting what is already in place and what has already been learned (March 1991). When a leader change takes place, it brings new policies and procedures, relationships, understandings, expectations, insights, approaches, and strategies. Implementation of these elements takes time and must encompass all levels within the organization.

The tension between exploration and exploitation can often create a sense of stakeholder impatience, especially in teams with rich traditions (Holmes, 2011). According to the discrete-time hazard model, the timing of winning games, the performance against rivals, and the recent victories impact the likelihood of coach retention or dismissal (Holmes, 2011). Coaches of teams with strong winning tradition work under different time pressures than those tasked with a “turnaround,” whose mission is to implement transformational changes in the system and culture. Thus, in addition to time, environmental and other contextual factors play a major role.

Extant research indicates that the process of implementing strategic renewal is more likely to take place over time (Rowe et al., 2005). Despite some instances of immediate success, the learning process requires time to maneuver through the multiple levels of an organization, including the team. In fact, a situation involving an immediate impact is usually not the case for all types of institutions and may not be sustainable over the long term.

Organizational Learning

“The ability to learn and adapt is critical to the performance and long-term success of organizations” (Argote & Miron-Spektor, 2011, p. 1123). Extant research on organizational learning indicates that learning takes place over time. Argote and Ingram (2000) further argue that knowledge is “embedded” in organizational members and consequently, turnover “should have a deleterious effect on organizations” (p. 1130). Therefore, to provide a more comprehensive examination of the potential short-term and/or long-term implications of a coaching succession would require evaluations to occur over time to allow for this central tenant of organizational learning.

According to Crossan et al. (1999), organizational learning involves the process of transference. This process can be time consuming as it involves four related subprocesses: intuiting, interpreting, integrating, and institutionalizing. Intuiting occurs at a subconscious level where individuals recognize patterns and/or possibilities and are able to make connections to past knowledge and gain insight. This ability takes time and experience to develop and cannot be forced. Interpreting, on the other hand, occurs at a conscious level where individuals explicitly describe and explain their insights to others through language. Integrating focuses more on a coherent and collective aspect where a shared understanding is developed among the group within an organization. This transfer to the group begins the informal process of institutionalizing this shared understanding. Institutionalizing describes the embedded aspect of learning that becomes ingrained in the “systems, structures, strategy, routines, prescribed practices of the organization, and investments in information systems and infrastructure” (Crossan et al., 1999, p. 529). Given the nature of these processes,

“It takes time to transfer learning from individuals to groups and from groups to the organization. As

the environment changes, the learning that has been institutionalized may no longer fit the context; there may be a gap between what the organization needs to do and what it has learned to do” (Crossan et al., 1999, p. 530).

Time Compression Diseconomies

Rushing the learning process and attempting to shorten the time frame required by human capital to transfer and acquire knowledge will lead to diseconomies, or worsening performance (Dierickx & Cool, 1989). Rowe et al. (2005) explains that leader succession provides the opportunity for organizational learning, which then leads to strategic renewal that impacts performance depending on the length of time that leaders are given to influence their human capital. They examined 60 years of data from the National Hockey League and found that if performance is observed too quickly after a succession event, the short-term time frame will indicate a negative impact on performance, the medium term will indicate no impact, and the long term will indicate a positive impact on performance. Their results support that transfer of knowledge requires time to process. Brown, Farrell, and Zorn (2007) further attest that a good match between the coach and the organization is pivotal and if that fit lasts at least 4 to 5 years, it significantly reduces the probability of another coaching change.

Time is indeed a critical factor in determining the influence of leader succession on performance. In our setting, we deem that only considering performance one season after a coaching replacement yields an incomplete and possibly erroneous picture of performance, particularly in a sport such as football in a university environment. A new coach needs time to instill his beliefs, strategies, and methods. Performance change over multiple seasons (two and four, in our analysis) factors in the coach’s increased familiarity and comfort, his choice of assistant coaches and recruits, the team’s learning of his philosophy and techniques, and the new resources that were promised upon hiring (practice facilities, improved infrastructure, and so on). Therefore, consideration is given to multiple years as providing a more accurate assessment for the impact of leader succession. As a result, we hypothesize the following:

Hypothesis 1: Teams that fire and replace their head coach based on performance will experience improvement over the long-term (4 years) but not necessarily over the short term (1 or 2 years).

Executive Discretion and the Impact of Organizational Size

Existing literature on executive leadership indicates that whether leaders matter is a reflection of how much leeway they are given to implement change. Forces that have been described as affecting executive discretion are the task environment, characteristics of the organization,

and characteristics of the leader (Finkelstein & Hambrick, 1996). According to Finkelstein and Hambrick (1996), characteristics of the task environment described to impact executive discretion include product differentiability, market growth, industry structure, demand instability, quasi-legal constraints, powerful outside forces, and capital intensity. Characteristics of the organization include powerful inside forces, resource availability, and inertial forces such as size of the organization, age, culture, and capital intensity. Finally, characteristics of the leader include aspiration level, level of commitment, tolerance for ambiguity, cognitive complexity, internal locus of control, power base, and political acumen. Although each of these forces is important, for the purposes of this paper we focus more specifically on organization size. As in Patten (2002), we use revenue as a proxy for the organizational size variable.

According to executive discretion, executives do not always have complete latitude of action (Lieberson & O'Conner, 1972; Hannan & Freeman, 1977) and under certain organizational conditions, leaders may become less or more important in significantly influencing organizational performance (Hambrick & Finkelstein, 1987). "In other words, certain situations provide managers with more discretion than others (Child, 1972; Hambrick & Finkelstein, 1987; Pfeffer & Salancik, 1978; Thompson, 1967), and it is in these situations that managerial impact on organizational outcomes is greatest (Finkelstein & Hambrick, 1990; Salancik & Pfeffer, 1977)" (Finkelstein & Boyd, 1998: 180).

Executive discretion is often influenced by the size of the firm. While executives of large firms are often associated with power and an abundance of available resources, the constraints of larger firms can nonetheless be substantial. That is, for larger firms, "the sheer number of persons involved, the complexity of the organization, and the variety of vested interests both inside and outside of the company represent potential constraints to successful change strategies" (Dalton & Kesner, 1983, p. 736). Therefore, large firms are more likely to have complicated structural components in place that actually tend to inhibit managerial discretion (i.e., low discretion) and make change a difficult process (Aldrich, 1979).

While the head football coach seems to hold an immense amount of power, executive discretion argues that this power is contingent on various factors. For instance, winning is often seen as a critical factor and power would diminish with losing. In addition, other stakeholders like certain donors and alumni may wield a lot of influence to impact that power as well. If the change strategy does not work, the coach would be fired so there may be constraints on the ideal change strategy in the organizational context.

However, while "leadership in organizations operates within constraints deriving from internal structural and procedural factors and from external demands on the organization" (Salancik & Pfeffer, 1977, p. 492), large organizations are likely to draw from a very select applicant pool given their resources. Such effective leaders

"find and create options that others do not have. They may do this through creativity and insight, political acumen, persistence, or sheer will" (Finkelstein & Hambrick, 1996, p. 32). Hence, a change at this level may actually excite the masses as to the potential possibilities resulting from this change in leadership coupled with financial resources, thereby positively influencing various forms of firm performance, as evidenced by common sense theory. Therefore, we hypothesize the following:

Hypothesis 2: High-revenue teams that fire and replace their head coach based on performance will experience increased outcomes over time thus reflecting common sense theory.

As indicated above, the greater the level of discretion, the more likely the leader is to matter, either positively or negatively. In terms of high discretion contexts, leaders have much greater leeway to implement change. However, "when multiple courses of action are possible, uncertainty and complexity go up" (Finkelstein & Boyd, 1998, p. 181). In addition, "high-discretion contexts also tend to be inherently more risky because firms cannot easily rely on industry recipes (Spender, 1989) or norms (Huff, 1982) in setting their strategic direction" (Finkelstein & Boyd, 1998, p. 181). Given these various factors, we propose that mid-sized firms would be more indicative of high level discretion contexts than large firms. By affording leaders at this level more opportunities to implement their own strategic choices, this context creates opportunities for substantial disruption. Given our previous discussion on organizational learning and time compression diseconomies, if the new system is substantially different and requires an adjustment period, the rushing of the learning process will lead to reduced performance in alignment with vicious cycle theory. Hence, we propose the following hypothesis:

Hypothesis 3: Mid-revenue teams that fire and replace their head coach based on performance will experience decreased outcomes over the short term thus reflecting vicious cycle theory.

Lastly, while the structure of small-sized firms are more often associated with the characteristics of the leader than large firms (Miller & Toulouse, 1986) and are often described as offering higher levels of managerial discretion, resource availability becomes particularly influential in this context. "Since virtually all strategic initiatives require adequate resources for implementation, deficiencies may reduce managers' range of options" (Finkelstein & Hambrick, 1990, p. 489). Hence, this slack in resources for small-sized firms will constrain the acts of the leader, thereby limiting the effectiveness of the leader, similar to a ritual scapegoating effect. Therefore, we propose the following hypothesis:

Hypothesis 4: Low-revenue teams that fire and replace their head coach based on performance will experience no impact on outcomes over time thus reflecting ritual scapegoating theory.

Performance Variables

Research in leader succession and organizational performance, particularly with regard to sports, has only used win-loss records as measures of team performance. We complement those with Sagarin ratings and Sagarin ranks since they take into consideration other important on-field factors. In addition, we include financial variables since teams in the FBS bring in the largest revenues and carry the largest expense burdens of their university's athletic department. Typically, they also garner the most attention and scrutiny from fans and media, and are commonly referred to as the "front porch," by providing exposure and brand recognition of its school.

There is on-going criticism of the "arms race" in college sports, stemming from various stakeholders and advocacy groups such as the Knight Commission, the Drake Group, and the Coalition of Intercollegiate Athletics, all condemning the over-commercialization of sport and advocating for reform. These concerns, coupled with student-athlete groups pushing to unionize, increasing budget constraints, decreasing state appropriations and rising costs of coaching buyouts justify that financial outcomes should be considered as measures of performance. Indeed, if college sport is a business, the chief measure of success is profit.

In addition, in response to the recent attention from leadership succession outcome studies, UNLV Athletic Director Jim Livengood participated in a Winthrop Intelligence interview (2013) explaining that coaches' expectations expand beyond the playing field. Livengood indicates that "Coaches must be so multifaceted, almost like a doctor. A coach needs to be a great communicator, comfortable in the community, adept at fund-raising, an ambassador for the institution" (Winthrop, 2013 Jan 7). The EADA report's section on Football Men's Team Revenue (FMTR), includes items that can be directly attributed to the off-field abilities of the head coach, such as proceeds from contributions from alumni and others, signage and other sponsorships, sport camps, state or other government support, student activity fees, ticket and luxury box sales, and any other revenues attributable to intercollegiate men's football activities. Therefore, the coach's responsibilities encompass more than winning; it also includes financial performance like revenue and profit.

Methods

Data

We used the 10 years of revenue and expense data available publicly from the Equity in Athletics Disclosure Act (EADA) database. The EADA requires all "co-educational institutions of postsecondary education that participate in a Title IV, federal student financial assistance program, and have an intercollegiate athletic program, to prepare an annual report to the Department of Education on athletic participation, staffing, and revenues

and expenses, by men's and women's teams" (EADA, 2012). Starting in 2003, the EADA redefined its reporting criteria for a number of variables including revenues and expenses, which is why we use the 2003 season as the beginning of our time period. The EADA college football data are currently available up to the 2012 season. Our sample consists of the 116 FBS teams for which EADA had consistent and complete data for those 10 years.

EADA's Football Men's Team Revenues (FMTR) include proceeds from appearance guarantees and options, contributions from alumni and others, institutional royalties, signage and other sponsorships, sport camps, state or other government support, student activity fees, ticket and luxury box sales, and any other revenues attributable to intercollegiate men's football activities. EADA's Football Men's Team Expenses (FMTE) include head coach salary, total of assistant coaches' salaries, athletically-related student aid, recruiting expenses, and operating (game-day) expenses. Revenues and expenses are reported in the aggregate and are not itemized as per those categories. In 2005, *USA Today* reported several errors in individual school reports (Upton and Brady, 2005). EADA figures will therefore not be perfect indicators but since it is required for all FBS schools to file them on a yearly basis using the same set of reporting instructions, it remains the most accurate and publicly available financial data source for FBS teams.

We gathered the coaching change data from *CollegeFootballPoll.com*. Between 2003 and 2012, there were 196 coaching changes. Based on press releases and related articles, we delineated them into four categories: fired for poor on-field performance (106), lured away to a different head coaching job (44), retired or resigned (35), and fired for ethical or off-field reasons (11). Since our focus on characterizing the proper leadership succession theory assumes the decision to replace was not voluntary, we only include the firings for poor on-field performance in our analysis, which consists of more than half (106/196) of all coaching changes in those 10 years. A number of those 106 firings were excluded from our analysis if we were not able to properly measure the impact of the replacement coach 1, 2, or 4 years afterward. We excluded the 2012 firings since we cannot measure the impact of the replacement coach. We also excluded firings from our 1-, 2-, and 4-year analyses if another coaching change (of any type) occurred within, respectively, 1, 2, and 4 years after the initial firing. The resulting test group sizes for each time interval are further described below.

The majority of the literature we reviewed used the win-loss record as their focal output performance measure. In college football the season typically consists of twelve games excluding playoffs. Statistics derived from the win-loss measure will inevitably carry a large variance (Scully, 1995). In addition, the win-loss record does not reflect strength-of-schedule and point differential components, often resulting in large ranking gaps for teams with identical records. To assess performance, some refine the overall win-loss record and look at the conference win-loss record, the conference standings,

the Associated Press (AP) Top 25 standings, the coaches' poll, the Bowl Championship Series (BCS) standings, and so on. For our purposes, we sought a measure which is continuous rather than discrete so that the ranking difference between two teams is measured with more precision. We also wanted a measure trusted by NCAA stakeholders and that weighs performance in addition to regular and post season records. We settled on the ratings from Jeff Sagarin's archives at the *USA Today* (Sagarin, 2012). His college football ratings are one of the six computer rankings that constitute one-third of the BCS standings. Sagarin ratings also factor in quality of opponent, home field advantage, and point differential.

Team Clusters

The EADA data indicates that revenues have increased by more than 10 percent per year and in 2012 exceeded \$3.1B. Over the same horizon, expenses also increased by more than 10 percent and topped \$1.8B in 2012. FBS teams show large differences in financial performance across the FBS. For instance, in 2010 the University of Texas generated the highest football revenues (\$96M) whereas the University of Louisiana at Monroe generated and spent only \$2.9M. That same year Auburn University incurred the highest expenses (\$39M), won the national championship, and topped the Sagarin ratings with a score of 98. In contrast, the University of Akron spent less than \$5.5M and scored the lowest Sagarin rating in 2010 with a score of 42. This large variance in revenue, expenses, and ratings is the basis to informally categorize teams into "haves" and "have-nots" within the FBS (Orszage & Israel, 2009).

In addition, as described above, there are varying degrees of expectations, such as university personnel, donors and alumni, fans, conference affiliation, and media, based on funding and resources available to each program. As Holmes (2011) argues in his study on FBS schools, "each school has a unique history, which presumably produces different expectations for its teams . . . [and] . . . institutional factors at particular schools may make them more or less likely to fire a coach" (p. 162). Therefore, to compare schools in like "neighborhoods" we cluster them by revenue since richer schools probably have greater expectations, along with the financial resources to meet them.

We used Ward's algorithm (Cochran, 1977) to cluster teams based on their average revenue over the 10-year horizon. In Ward's method, clusters are built so that the mean absolute error is minimized within a cluster and maximized across clusters. We specified three clusters and the algorithm converged at 58 teams in the first cluster (lowest revenues), 38 in the second cluster, and 20 in the third cluster (highest revenues); Table 1 lists the 116 FBS teams per cluster.

Table 2 reports the average FMTR per year and cluster, Table 3 reports the average FMTE per year and cluster, Table 4 reports the average Sagarin ratings per year and cluster, and Table 5 reports the number of performance-

based coaching changes per year and cluster. We note from Table 5 that performance-based firings averaged more than ten per year but fluctuate greatly, with a high of 17 in 2012 and a low of 4 in 2006. Table 6 reports the test group sizes per cluster, which are significantly lower than the actual number of firings. When testing impact over 1 year, the test group size across the three clusters was 85; despite observing 106 firings during 2003–2012 time period. The difference is due to 17 changes that took place in 2012 (last year of data) and four earlier firings that were immediately followed by another coaching change. The test groups only include performance-based replacements (firings) that, themselves, were not followed by any other type of replacement within the time frame of the test. For example, a firing that occurred in, say, 2005 was included in the 4-year test group only if the new head coach remained in his position up to and including the 2009 season. The test group size across the three clusters for our 2- and 4-year tests were, respectively, 65 and 32.

Results

A series of multiple regression analyses were conducted to test our proposed hypotheses. Results indicate that there are significant differences between leader succession and performance in alignment with common sense and ritual scapegoating theories, contingent on time and the size of the program as determined by program revenue (see Table 7).

Results indicate partial support for our first hypothesis. Common sense theory is predominant across all time spans with steady improvement in all areas leading to Year 4 except win-loss ratio, which remains positive but declines slightly each year. With regard to Sagarin rating and Sagarin rank, results indicate that teams that fired and replaced their head coach based on performance experienced improvement in both the short term (Years 1 and 2) as well as in the long term (Year 4). Win-loss record improved significantly short term (Year 1: $b = 0.093, p < .01$; Year 2: $b = 0.083, p < .01$) and moderately so long term (Year 4: $b = 0.079, p < .10$). With regard to financial performance, teams that fired and replaced their head coach based on performance experienced improvement over the long term (Year 4: $b = 324, p < .05$) but not over the short term (Years 1 and 2). This is in direct support of our first hypothesis (See Table 7).

Results indicate limited to no support for our second hypothesis with only moderately significant results in two time periods, providing the most support for ritual scapegoating theory. With regard to win-loss record, high-revenue teams that fired and replaced their head coach based on performance did not experience increased outcomes over time compared with teams that did not make coaching changes (Year 1: $b = 0.092, ns$; Year 2: $b = 0.016, ns$; Year 4: $b = 0.135, ns$). However, with regard to Sagarin rating, high-revenue teams that fired and replaced their head coach based on performance experienced increased outcomes over the long term, but

Table 1 The 116 FBS Team in Our Sample Clustered Using Ward's Algorithm

Cluster 1 (Low Revenue)	Cluster 2 (Mid Revenue)
Arkansas State University, Main Campus	Arizona State University
Ball State University	Boston College
Baylor University	Clemson University
Boise State University	Florida State University
Bowling Green State University, Main Campus	Georgia Institute of Technology, Main Campus
Brigham Young University	Indiana University–Bloomington
California State University–Fresno	Iowa State University
Central Michigan University	Kansas State University
Colorado State University	Mississippi State University
Duke University	North Carolina State University at Raleigh
East Carolina University	Northwestern University
Eastern Michigan University	Oklahoma State University, Main Campus
Florida Atlantic University	Oregon State University
Florida International University	Purdue University, Main Campus
Kent State University, Kent Campus	Rutgers University, New Brunswick
Louisiana Tech University	Stanford University
Marshall University	Syracuse University
Miami University–Oxford	Texas Christian University
Middle Tennessee State University	Texas Tech University
New Mexico State University Main Campus	University of Arizona
Northern Illinois University	University of California–Berkeley
Ohio University, Main Campus	University of California–Los Angeles
Rice University	University of Colorado at Boulder
San Diego State University	University of Illinois at Urbana-Champaign
San Jose State University	University of Kentucky
Southern Methodist University	University of Louisville
SUNY at Buffalo	University of Miami
Temple University	University of Minnesota–Twin Cities
Troy University	University of Mississippi Main Campus
Tulane University of Louisiana	University of Missouri–Columbia
University of Akron Main Campus	University of North Carolina at Chapel Hill
University of Alabama at Birmingham	University of Oregon
University of Central Florida	University of Pittsburgh
University of Cincinnati, Main Campus	University of Southern California
University of Connecticut	University of Virginia, Main Campus
University of Hawaii at Manoa	Vanderbilt University
University of Houston	Virginia Polytechnic Institute and State University
University of Idaho	West Virginia University
University of Kansas	
University of Louisiana at Lafayette	
University of Louisiana Monroe	
University of Memphis	
University of Nevada–Las Vegas	
University of Nevada–Reno	
University of New Mexico, Main Campus	
University of North Texas	
University of South Florida	
University of Southern Mississippi	
University of Texas at El Paso	
University of Toledo	
University of Tulsa	
University of Utah	
University of Wyoming	
Utah State University	
Wake Forest University	
Washington State University	
Western Kentucky University	
Western Michigan University	
	Cluster 3 (High Revenue)
	Auburn University, Main Campus
	Louisiana State University and A & M College
	Michigan State University
	Ohio State University, Main Campus
	Pennsylvania State University, Main Campus
	Texas A & M University
	University of Alabama
	University of Tennessee
	University of Texas at Austin
	University of Arkansas, Main Campus
	University of Florida
	University of Georgia
	University of Iowa
	University of Michigan–Ann Arbor
	University of Nebraska Lincoln
	University of Notre Dame
	University of Oklahoma Norman Campus
	University of South Carolina–Columbia
	University of Washington, Seattle Campus
	University of Wisconsin–Madison

Table 2 Average Revenue for Each Cluster by Year

Average of FMTR by Year	Cluster 1 (58 teams)	Cluster 2 (38 teams)	Cluster 3 (20 teams)	All Teams (116 teams)
2003	4,376,794	16,235,234	34,564,967	13,466,313
2004	4,307,859	16,719,409	36,542,940	13,931,484
2005	4,887,292	18,127,336	41,470,389	15,531,978
2006	5,780,987	20,247,554	46,364,876	17,517,257
2007	6,980,511	22,120,677	51,603,104	19,633,771
2008	7,344,968	23,632,502	53,727,453	20,677,520
2009	8,237,818	23,817,484	58,904,957	22,077,215
2010	8,758,892	25,111,432	61,613,384	23,228,602
2011	9,742,575	28,108,029	64,254,769	25,157,499
2012	10,324,959	31,515,483	66,774,847	26,999,422

Table 3 Average Expenses for Each Cluster by Year

Average of FMTE by Year	Cluster 1	Cluster 2	Cluster 3	All Teams
2003	4,603,040	9,884,848	11,913,502	7,593,712
2004	4,931,977	10,354,951	13,893,462	8,253,552
2005	5,552,654	11,570,863	15,923,238	9,312,168
2006	5,997,154	13,008,901	18,916,506	10,521,580
2007	6,690,340	13,723,203	19,378,395	11,181,805
2008	7,170,250	15,120,537	21,572,366	12,257,778
2009	7,572,522	15,113,268	22,288,761	12,580,049
2010	7,923,495	16,442,031	23,751,841	13,443,075
2011	8,943,854	18,153,368	24,836,313	14,700,843
2012	9,202,417	19,915,086	26,740,799	15,735,599

Table 4 Average Sagarin Rating for Each Cluster by Year

Average of SAG by Year	Cluster 1	Cluster 2	Cluster 3	All Teams
2003	63.8	75.1	81.9	70.6
2004	63.9	76.0	79.2	70.5
2005	63.1	77.0	83.3	71.1
2006	63.4	75.3	83.5	70.8
2007	63.1	76.2	80.7	70.5
2008	65.0	76.1	79.0	71.1
2009	64.2	75.3	81.9	70.9
2010	62.1	75.9	82.4	70.1
2011	64.5	74.5	84.2	71.2
2012	64.8	75.9	81.2	71.3

Table 5 Number of Teams With a Performance-Based Coaching Change per Cluster and Year

Coaching Changes by Year	Cluster 1	Cluster 2	Cluster 3	Total
2003	2	7	1	10
2004	5	4	1	10
2005	6	8	1	15
2006	2	2	0	4
2007	4	8	0	12
2008	2	3	2	7
2009	4	6	0	10
2010	5	3	1	9
2011	7	5	0	12
2012	6	8	3	17
Total	43	54	9	106

Table 6 Test Group Sizes per Cluster

Interval	Year 1	Year 2	Year 4
Cluster 1:	47	36	20
Cluster 2:	26	18	6
Cluster 3:	12	11	6
Total	85	65	32

Table 7 Results of the Multiple Regression Analyses With Football Men's Team Revenue (FMTR), Sagarin Rating, Sagarin Rank, and Win-Loss Ratio as Dependent Variables^{abcd}

Independent Variable	Dependent Variable	Year 1	Year 2	Year 4
Cluster All: All teams. <i>N</i> = 1044^e				
Expenses	FMTR	0.545**	0.686**	0.598**
Coaching Change	FMTR	0.058	0.102	0.324*
Expenses	Sagarin Rating	7.698**	7.211**	5.234**
Coaching Change	Sagarin Rating	3.125**	3.151*	4.560*
Expenses	Sagarin Rank	-27.065**	-24.141**	-19.555**
Coaching Change	Sagarin Rank	-12.529**	-12.968**	-15.932*
Expenses	Win-Loss Ratio	0.182**	0.147**	0.087**
Coaching Change	Win-Loss Ratio	0.093**	0.083**	0.079†
Cluster 1: Low-revenue producing programs. <i>N</i> = 522				
Expenses	FMTR	0.768**	1.007**	0.758**
Coaching Change	FMTR	0.100	0.188	0.503*
Expenses	Sagarin Rating	7.891**	6.938**	6.164**
Coaching Change	Sagarin Rating	3.140*	3.588*	4.447†
Expenses	Sagarin Rank	-32.234**	-27.850**	-27.137**
Coaching Change	Sagarin Rank	-12.929*	-16.145*	-19.418†
Expenses	Win-Loss Ratio	0.201**	0.129*	0.098*
Coaching Change	Win-Loss Ratio	0.101**	0.079†	0.092
Cluster 2: Midlevel revenue producing programs. <i>N</i> = 342				
Expenses	FMTR	0.383**	0.510**	0.536**
Coaching Change	FMTR	-0.004	-0.016	0.000
Expenses	Sagarin Rating	8.665**	8.644**	6.587**
Coaching Change	Sagarin Rating	2.418	3.891†	2.438
Expenses	Sagarin Rank	-30.675**	-30.056**	-22.855**
Coaching Change	Sagarin Rank	-11.040†	-16.068*	-11.418
Expenses	Win-Loss Ratio	0.182**	0.174**	0.119**
Coaching Change	Win-Loss Ratio	0.081*	0.129*	0.011
Cluster 3: High-level revenue producing programs. <i>N</i> = 180				
Expenses	FMTR	0.280**	0.400**	0.474**
Coaching Change	FMTR	0.005	0.013	-0.277†
Expenses	Sagarin Rating	4.859	5.207	-1.249
Coaching Change	Sagarin Rating	4.544†	0.413	7.952†
Expenses	Sagarin Rank	-2.417	-5.444	11.606
Coaching Change	Sagarin Rank	-14.621†	1.629	-14.519
Expenses	Win-Loss Ratio	0.121	0.132	-0.034
Coaching Change	Win-Loss Ratio	0.092	0.016	0.135

^a The coefficients are unstandardized.

^b Revenue and expense data are based on percentage increase (over 1, 2, and 4 years).

^c Sagarin rating, Sagarin rank, and win-loss ratio are based on absolute increases (over 1, 2, and 4 years).

^d Sagarin rank is reverse coded; therefore, a negative coefficient indicates a higher rank.

^e Control group figures reported for Year 1 tests.

†*p* < .10; **p* < .05; ***p* < .01.

only moderately so (Year 4: $b = 7.952, p < .10$), and in the first year following the change (Year 1: $b = 4.544, p < .10$) but not in the second year following the change (Year 2: $b = 0.413, ns$). With regard to Sagarin rank, high-revenue teams that fired and replaced their head coach based on performance experienced an immediate, yet moderate, positive impact in the first year following the change (Year 1: $b = -14.621, p < .10$); however, this impact was not sustained (Year 2: $b = 1.629, ns$; Year 4: $b = -14.519, ns$). Please note that Sagarin rank is reverse-coded; therefore, a negative coefficient aligns with a lower number, which indicates a higher rank. Finally, with regard to financial performance, high-revenue teams that fired and replaced their head coach based on performance did not experience increased outcomes over time compared with teams that did not make coaching changes (Year 1: $b = 0.005, ns$; Year 2: $b = 0.013, ns$; Year 4: $b = -0.277, p < .10$).

Results did not support our third hypothesis. We hypothesized that mid-revenue teams that fire and replace their head coach based on performance would experience decreased outcomes over time reflecting vicious cycle theory. However, results indicate that mid-revenue teams that fired and replaced their head coach based on performance experienced increase outcomes, reflective of common sense theory (short term), in the first year for win-loss record (Year 1: $b = 0.081, p < .05$) and increases in the second year for both Sagarin rank ($b = -16.068, p < .05$) and win-loss record ($b = 0.129, p < .05$). We found moderately significant results with Sagarin rank in Year 1 and Sagarin rating in Year 2. No significant results were found long term, indicating support for ritual scapegoating. With regard to financial performance, mid-revenue teams that made coaching changes experienced negative impacts in Year 1 and Year 2, reflecting vicious cycle theory; however, these results were not statistically significant (See Table 7).

Finally, results indicate partial support for our fourth hypothesis. We hypothesized that low-revenue teams that fire and replace their head coach based on performance would not experience any impact on their outcomes over time reflecting ritual scapegoating theory. There was support for ritual scapegoating over the long term (Year 4) for on-field performance measures with only moderately significant results, but primarily common sense theory was supported based on the short term results (Year 1 and Year 2). With regard to win-loss record, low-revenue teams that made coaching changes experienced positive outcomes in the first year and moderately so the second year (Year 1: $b = 0.101, p < .05$; Year 2: $b = 0.079, p < .10$), but not in the long term (Year 4: $b = 0.092, ns$). With regard to Sagarin rating and Sagarin rank, results indicate that low-revenue teams that made coaching changes experienced positive outcomes in the short term (Year 1 and Year 2) and moderately so in the long term (Year 4), reflecting common sense theory. Finally, with regard to financial performance, results indicate that low-revenue teams that made coaching changes experienced no impact in the short term (Year 1: $b = 0.100, ns$; Year 2: $b = 0.188,$

ns) but experienced positive outcomes in the long term (Year 4: $b = 0.503, p < .05$) (See Table 7).

Discussion

Our research aimed to determine when and where leaders are likely to matter in influencing organizational performance. That is, when is leader succession likely to have a positive impact, no impact, or a negative impact on performance? Following executive discretion theory, we hypothesized that high-revenue teams were likely to experience increased outcomes following a leader succession, reflective of common sense theory. We further hypothesized that mid-revenue teams were likely to experience a decrease or negative impact on outcomes following a leader succession, reflective of vicious cycle theory. In addition, we hypothesized that low-revenue teams were likely to experience no impact on outcomes following a leader succession, supporting ritual scapegoating theory. Lastly, following organizational learning theory, we hypothesized that performance following a leader succession would improve over the long term (4 years) but not necessarily over the short term (1 year, 2 years).

Overall, our findings offer conditional support for the position that leader succession does affect performance and that leaders do matter. However, support is contingent on time and the size of the program. For high-revenue teams, results appear to reflect ritual scapegoating theory, indicating that leaders appear to be limited and far less effective at influencing organizational performance than predicted. For high-revenue programs, findings indicate only moderate support for the leader change in positively impacting Sagarin rating (Year 1 and Year 4) and Sagarin rank (Year 1), but having no impact on win-loss record or financial performance.

For mid-revenue teams, results reflect common sense theory and ritual scapegoating theory (with a hint of vicious cycle theory for financial performance, although the negative influence was not significant for this variable). For mid-revenue programs, findings indicate that the leader change was positively associated with both Sagarin rank and win-loss record in the short term (Year 1 and Year 2), but this effect was not sustained. Therefore, long-term (Year 4) effects appear to more appropriately reflect ritual scapegoating theory. Results for mid-revenue programs provide further support for ritual scapegoating theory in that leader change appears to have no effect on Sagarin rating (although there is moderate support for Year 2 only) and no effect on financial performance.

For low-revenue teams, results offer much more support for common sense theory. For low-revenue programs, leaders are likely to matter in that leader succession was positively associated with Sagarin rating across all time periods, Sagarin rank across all time periods, and win-loss record in the short term only (Year 1 and Year 2). As for financial performance, results indicate that leader succession was positively associated with program revenue

in the long term (Year 4) but not in the short term (Year 1 and Year 2).

Finally, when considering all coaching changes in the aggregate, results indicate that overall performance is likely to improve following a leader succession, supporting the position that leaders do matter, over the long term (4 years) for all performance outcomes (on-field and financial) and in some cases, even in the short term (Years 1 and 2 for Sagarin rating, Sagarin rank, and win-loss record).

Implications for Research and Practice

Our findings are similar to that of Rowe et al. (2005), indicating that learning does take place over time. Our aggregate results showed improvement across all performance variables from Year 1 to Year 4 with the exception of win-loss record, thus reflecting support for common sense theory. However, by examining various performance measures, different time spans, and program size, we observe that the succession theory outcomes do in fact vary, which allows for a more detailed analysis for deciphering when and where leaders matter.

For the high-revenue cluster, our results support ritual scapegoating theory, indicating that the impact of leaders at this level is more likely to be “romanticized.” Argote and Miron-Spektor (2011) argue that “knowledge transfer typically occurs across a boundary” and given the literature on executive discretion and arguments surrounding the strict limits within which executives operate (Finkelstein & Hambrick, 1996), it is not surprising to see that leaders at this level appear to have far less effect than other pressing factors. Such factors include environmental forces as defined by industry structure, capital intensity, powerful outside sources, market growth, quasi legal constraints, and product differentiability. Other factors include organizational characteristics as defined by powerful inside sources, resource availability, and inertial forces like size, age, culture, and capital intensity. Therefore, environmental forces coupled with organizational characteristics as described by executive discretion theory may help to explain the ritual scapegoating outcomes at this particular level. The environmental system therefore creates a boundary making it difficult for organizational learning to take place.

Furthermore, Crossan et al. (1999) describe learning as a dynamic process that includes a “feed forward” and “feedback” system where “new ideas and actions flow from the individual to the group to the organization levels. At the same time, what has already been learned feeds back from the organization to group and individual levels, affecting how people act and think” (p. 532). Given this dynamic, is it then the nature of FBS itself that cannot sustain this growth or is something else limiting the ability of programs to permeate this barrier/boundary? Is the organization the team, athletics department, university, fan base, or the NCAA? Arguments could be made for each, but the central theme returns back to the context and whether a leader with all the talent in the world would

be able to overcome an “organization” that is resistant to change or unable to change.

In further analyzing the environment, we see that context is also impacted by competition. Typically regional and conference rivalries develop where game outcomes have deeper meaning than normal games. Holmes (2011) found that coaches who defeated conference foes were more apt to survive over those who lost to league rivals. Interestingly, he also found that if coaches won too quickly during the first year or two, but could not sustain that success, they were more likely to be fired. It is almost better to struggle at the onset at the expense of buying time to instill one’s system to produce a better end product that fits one’s coaching style and resources rather than raise expectations as a new coach and come in and dominate immediately. However, the culture and mindset of the program upon which the new coach is entering may impact this strategy as these high-revenue clusters may expect immediate results and exploitation of the infrastructure already in place.

The goals of these high-revenue teams typically include invitations to highly rated bowl games and possibly even winning national championships. Such expectations could be part of teams’ inability to garner common sense results over the long term. Furthermore, these programs may define poor on-field performance differently than teams from lower revenue clusters. Failure to win a national championship, but still retain a dominant record may not fit the goals and expectations of fans, alumni, and donors who help influence these coaching changes. With every game there is a win and a loss, not everyone can win, but in a win-at-all-cost market (Frank, 2004) programs are constantly trying to outspend and one-up their competition fueling these changes. According to Frank (2004) this investment in on-field dominance is a slippery slope:

“the logic of competition in winner-take-all markets suggests that participants in these markets are likely to experience much less favorable economic results than they had expected at the outset. Upward biased estimates of success will tempt more institutions to enter than would be warranted by the logic of profit and loss. And each institution, once entered, will face powerful incentives to increase its expenditures in search of a competitive edge. This logic is in harmony with the observation that the revenues generated directly by college athletic programs fall far short of covering their costs in the overwhelming majority of cases” (p. 11).

While there can only be one winner, for some institutions anything less than being the best is not tolerated and the inability for that coach to deliver a championship, regardless of the logic and reality, may lead to quicker change in leadership than other programs.

Ironically, these high-revenue programs are typically the best performing, have a history of winning, avid fans, top-tiered coaching salaries, and the strongest infrastructure and finances to support a winning program

to underscore the expectations of success. In addition, this environment lends itself well to attract top coaching talent as well as highly rated recruits who can be immediate impact players to continue this cycle of success, and thus have the fewest (on-field performance) reasons to fire their coach compared with the low and midlevel teams. Yet, many of these teams fire their head coach at the first sign of weakness. Our results for teams within the high-revenue cluster essentially call into question the motivation behind the firing.

Involuntary turnover is often deemed warranted for several reasons. Decision makers may select to minimize their losses from fear of escalation of commitment; a high-caliber or crowd-favorite coach may enter the market forcing an early exit of the sitting coach; pressure from donors, alumni, fans, and media may be overwhelming; or other various reasons stemming from increased expectations or issues regarding fit. These decisions highlight numerous potential issues with the coaching carousel. Buyouts are becoming increasingly common and expensive. According to a 2012 *USA Today* article (Berkowitz & Upton, 2012), buyouts could exceed \$50M for FBS institutions. For example, Auburn fired their head coach, who recently had won a national championship for the school, with an \$11.09M buyout. An additional \$750,000 was owed to Arkansas State from where they hired their new coach, in addition to the new coach's salary. Examples of salary buyouts coupled with the secrecy in which head coaches are hired, without formal search committees, invite further scrutiny into these early and increasingly expensive dismissals that may not end up justifying the costs.

Sports business analyst Darren Rovell on an ESPN *Outside the Lines* interview with Jeremy Schapp (Outside the Lines, 2012) discussing the Adler et al. (2013) leadership succession results posited that it was simply a matter of injecting and selling hope to justify firings; the athletic director has to do something. If wins and losses are not significantly impacted or sustained over 4 years or may actually decrease with mid- and low-revenue teams from the Adler et al. study one could argue that leadership changes occur in attempts to excite the masses through executive discretion theory (Finkelstein & Hambrick, 1996) by reenergizing the fan base to increase attendance, donations, or season ticket sales, ideally becoming competitive enough to qualify for bowl games or climb the ladder to more profitable bowl games.

With regard to these revenue-based arguments, our results do not support this approach in the short term for any cluster. They offer limited support for the long term in the aggregate, and for the low-revenue cluster. Revenues actually decrease (although not significantly) in the mid-revenue cluster (1 and 2 years after a firing) and in the high-revenue cluster (4 years after a firing). However, revenues in the aggregate, and for the low-revenue cluster, significantly increased 4 years after a firing. There is also evidence of short-term improvement for on-field performance variables across all groups, most predominantly with the low-revenue cluster in terms of

the Sagarin rating and rank. However, these spikes in success were not sustained over the long term for any cluster.

Mid-revenue cluster teams experienced significant increases in win-loss record in Years 1 and 2 and Sagarin rank in Year 2 with a moderate effect in Year 1. However, mid-revenue programs were not able to sustain any of these improvements over the long term providing support for ritual scapegoating overall. Any improvements made by Year 2 were erased with decreases in each category by Year 4 almost mirroring results from Year 1. Several reasons exist to why this could be the case. One could argue that the new coach could be winning with the previous coach's players, lending credence to the argument that the former coach was not given adequate time to effectively implement strategic renewal. Another alternative reason is that 4 years is not enough time to determine if learning takes place. According to Argote and Miron-Spektor (2011), "organizational learning occurs in a context that includes the organization and the environment in which the organization is embedded" (p. 1124). The environment is often a combination of identity, experience, culture, knowledge, goals, incentives, and structure. The contextual factors may be too strong for learning to take place over the three time spans studied.

Low-revenue teams indicated the strongest support for common sense theory, predominately in the short term. Sagarin rating and rank improved over each time period whereas win-loss record improved over the short term (Year 1 and Year 2). These improvements were not sustained over the long term. Similar to Adler et al. (2013), we essentially found that just inserting a new coach into the current environment will provide a spike in on-field performance and demonstrate more competitiveness, but may not be enough to overcome the system and culture in place. Pressure may spur the firing of a coach, but if the coach does not have the resources to be competitive, it is unlikely to produce a different outcome. Evidence exists that the amount of executive discretion for a low-revenue cluster coach may be beneficial in the short term (common sense), but not in the long term (ritual scapegoating) for on-field performance variables.

Therefore, are schools demanding too much from their head coach? Although we see common sense themes within the low-revenue cluster and among all clusters in the aggregate, our results still indicate support for ritual scapegoating with regard to long term effects for on-field performance variables for mid-revenue and high-revenue programs. Programs should thus evaluate whether firing the coach solves the problem or presents a symptom of a greater problem. While there appears to be a short-term improvement for some programs, overall, this effect does not appear to be sustained and therefore it would be difficult to reason that teams should fire their coach after 2 years to capitalize on common sense improvements. There may be a failure to look systemically with the coach as a scapegoat; resources may be maxed out or unrealized; perhaps the talent of the players or other factors are the driving force instead of the coach on per-

formance; the culprit could be unrealistic expectations; there may be enough competitive balance to negate the advantages sought by programs; or the win-at-all-cost market mentality could be furthering the divide among clusters. We provide several suggestions for further research to address these concerns.

Suggestions for Future Research

Suggestions for future study include integrating leader characteristics with executive discretion by dissecting this data by lifetime coaching record or recruiting ability. Winning coaches may be more selective as to which team they will join whereas others may take on more risk to climb up the coaching ladder and accept coaching opportunities with poorer performing teams (Winthrop, 2013). Does a coach with a strong lifetime record make a significant impact on historically low-performing teams; is he a leader that can overcome resource inequities? There have been coaches who were fired for ethical reasons from large programs and have resurfaced at low-performing schools. For example, Bobby Petrino was fired from Arkansas for an off-field scandal and was hired at Western Kentucky. After success there, he was again hired at Louisville. In addition, outcome differences from hiring sitting coaches versus hiring top assistant coaches should be studied, therefore decreasing the cost of buyouts and corresponding starting salaries to have the ability to better allocate resources to address organizational and environmental forces to obtain common sense theory results.

A deeper look into the success stories within each cluster that fired their coach with a common sense outcome may be more telling than the aggregate. A case study analysis delving into the hiring strategy coupled with administrative and financial decisions within a particular context would provide a lens to decision making policies.

As more longitudinal data becomes available to track these increasingly expensive firings, it may glean insight into the quality of those leadership change decisions made by athletic directors. In addition to these leadership decisions, dissecting the resources made available to athletic directors to determine what, if any, percent increase could also make a significant impact. Isolating donations and ticket revenues from donors and fans post coaching change would address the influence of these stakeholders.

Finally, conducting a similar study with college basketball programs may prove enlightening as they play several more games per season with far fewer players than college football to determine if results are consistent with additional opportunities for coaching outcomes. In addition, there are substantially more teams in Division 1 basketball which would add more teams to each cluster. If there are more teams in each cluster, we could examine characteristics of the coach in addition to further study regarding strategic renewal and leader outcome theories.

Limitations

Our study and its associated findings are based in the context of the National Collegiate Athletic Association (NCAA) Football Bowl Subdivision (FBS). Therefore, the generalizability of our findings regarding leadership succession is limited. Our results also stem from the EADA data in which revenue data are not itemized but reported as one lump sum. In addition, there have been some concerns expressed with regard to reporting errors associated with the EADA. However, the EADA remains the most accurate and publicly available financial data source for FBS teams.

Conclusion

With the sports media news filled with multimillion dollar contract buyouts and coaching change carousels each season, athletic directors, university presidents, and boards of trustees need to carefully consider the system in place before making coaching decisions based on poor performance. Is that coach given enough resources and support to be successful and will that leadership change itself solve the problem?

Leadership succession events are inevitable and therefore the importance of understanding when leader succession is likely to matter in having a positive impact, negative impact, or no impact at all on performance is critical. By expanding on the work of Rowe et al. (2005), Soebbing and Washington (2011), Holmes (2011) and Adler et al. (2013), we begin to see patterns of when the different theories of leadership succession are likely to come into play.

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