

Berichte aus der Sportökonomie

Philipp Theiler

Information Deficits in Management Processes

Four Illustrative Issues from Sports Economics

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Phone: 0049/2407/9596-0 • Telefax: 0049/2407/9596-9

Internet: www.shaker.de • e-mail: info@shaker.de

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Information Deficits in Management Processes – Four Illustrative Issues from Sports Economics

Information is a universal concept of sheer unlimited relevance. It is interpretable in a countless number of ways. Full information is an assumption vital to fundamental economics and yields complete markets. Problems may arise when there is a lack of information, an information deficit. Undoubtedly, information deficits exist everywhere. One neither knows the day after tomorrow's weather nor whether a certain car is worth its price nor whether the new partner shares the same basic views about life as oneself.

The book brings up the basic problem of an information deficit in decision making when there is a lack of information. More information can help to overcome the uncertainty. This fact is shown in each chapter as each has its own contribution to mitigate the information deficit problem identified within the respective context.

This book covers four specific issues where information deficits occur. The reader will figure out that the particular chapters of the book pertain to the field of sports economics. The area of sports presents a unique laboratory with measurable variables to think about economic problems that arise in all sorts of fields. Contrary to many other contexts, the controlled field environment allows to test hypotheses concerning economic behaviour. Generally, this fact bases on the availability of a great variety of data from the sports business (e.g., demand, performance, price, supply, tournament structure, wage, etc.). The available data provide the basis for empirical studies, used in three chapters of the book. The potential for empirical studies does not inhibit the emergence of theoretical studies in the sports environment. Theoretical reasoning is used in one chapter of the book. Sports economics here is used as the workhorse to study problems of information deficits that arise in many other economic areas as well. The idea is to point out the uncertainty problem of a decision due to an information deficit and to show how additional information can improve the related decision process.

The first issue is about the group size and loyalty of football fans. In reality, group size and the loyalty are rather hard to quantify and this fact imposes an information deficit for the management of the clubs as well as for policy makers. The next issue is well-discussed in the management literature: the team-production process. Compared to the benchmark case of full information, the production process has to be adapted according to the challenges posed by an information deficit. As the labor markets become more and more international, the search for the most convenient team members leads to the situation where a team's members do not share a common nationality and culture anymore. Two chapters concentrate on problems of professional sports leagues and pertain to a regulative context. One issue is about a new agent in a sports league and the lack of information for the responsible league executives how the competition is affected by this new agent. Finally, an issue deals with league administrators that changed the point awarding system of the league in order to target an intended purpose.