Corporate Culture Differences: The Philadelphia Flyers and Washington Capitals

By: Kelly Hartnett

Honors Capstone – Fall 2010

Professor Robert Edgell

University Honors in Business Administration

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1. Research Question

How do the corporate cultures of two professional ice hockey teams differ? How does this affect the team's profitability, brand, and success? Can corporate cultures within basically identical businesses differ that much?

This question of corporate culture differences became evident to me when I interned for both teams over the course of my college career. I've interned with the Capitals for two and a half seasons and I've interned with the Flyers for two summers. Over the course of my internships I noticed that the feeling within the organizations was very different. One difference that sparked my interest for this report was the manner in which the intern program was run. The Flyers have a very established and strict intern program throughout the entire organization and the umbrella organization of Comcast Spectacor. The Capitals have a system in which you email them your resume and desired position and if they are interested they interview and place you. This internship structure is a prime example of the differences I see overriding each team's corporate culture and which I hope to analyze in this report.

With the Flyers I was labeled and seen as an intern and that was strictly what I was supposed to stick to. My parking pass even had a bright sticker on it that said, "INTERN". However, at the Capitals it seemed that my intern status wasn't really made aware to anyone unless I was being introduced to someone new. It didn't seem to be the most important factor for the Capitals. This difference really made me wonder if this cultural difference has any affect on the success of each organization's performance.

Relevance

Every company has a culture that guides the business structure; the way the employees

act, and how work gets accomplished. Studies have been done on whether corporate culture affects long-term performance and this topic has become increasingly taught in business school classes; especially here at American University. One study by Kotter and Heskett for example found, "...all firms have corporate cultures, although some have much 'stronger' cultures than others; these cultures can exert a powerful effect on individuals and on performance, especially in a competitive environment…" (Kotter & Heskett, 1992, p.9). But, does this apply to sports organizations? In an even more micro study, does this apply to sports teams in the same sport?

2. Background Information

Literature Review

Prior to conducting my exploratory research I searched to see if there were any studies done regarding corporate culture in a sports franchise. I couldn't find much of anything that directly related the two, but I did find some studies and information that is relevant to my research. The following are four studies, articles, and measurements that I will be using to help me with my evaluation of the corporate cultures of the Flyers and Capitals.

"Corporate Culture and Performance" study by John. P. Kotter and James L. Heskett

In this study and subsequent book, Kotter and Heskett delve into the underpinnings of a corporate culture and how it affects performance. The first research done regarding corporate culture sparked the interest of researchers at Harvard, MIT, McKinsey, and Stanford in the mid 1970's (Kotter & Heskett, 1992, p. 9). Prior to the 1970's this idea of corporate culture wasn't well researched mainly because it wasn't seen as being an important factor in business (Kotter & Heskett, 1992, p. 9). Kotter and Heskett studied 207 firms from twenty-two different U.S. industries as a basis for their book (p. 19). The key findings from this book and its application to the Flyers and Capitals are the following:

<u>Strong Founders</u>

Having a strong leader can be the sole reason a strong corporate culture has been formed. Businesses with strong leaders tend be associated with having stronger corporate cultures. Kotter and Heskett write, "…But in firms with a strong corporate cultures, these ideas often seem to be associated with a founder or other early leaders who articulate them as a 'vision', a 'business strategy', a 'philosophy' or all three" (p. 7). Thus, strong leadership is vital in forming a strong corporate culture that can enhance performance.

<u>Factors that Build a Strong Corporate Culture</u>

Kotter and Heskett also outline the following as important factors for a strong corporate culture: "Continuity of leadership, stable group membership, geographical concentration, small group size, and considerable success all contribute to the emergence of strong cultures" (p.8). These factors, as they discuss, can be the difference between mediocre cultures and very strong cultures.

<u>Three Factors of Cultural Strength that Relate to Performance</u>

1. Goal Alignment: goal alignment refers to all employees "marching to the same drum" (Kotter and Heskett, 1992, p. 16). This alignment makes it easier for employees to act in ways that directly assist in the objectives of the organization. Businesses with strong cultures don't need to remind their employees of the overriding goals of the organization. Each employee has been conditioned, through the strong culture, to strive for these goals in every aspect of their job.

2. Create an Unusual Level of Motivation in Employees: The shared values in a firm can create an intrinsic motivation that builds a commitment and loyalty that can make people work harder (Kotter and Heskett, 1992, p. 16). Recognizing commitments and allowing people to be involved in decision making help to increase this intrinsic motivation and thus increasing the

level or work that is performed (Kotter and Heskett, 1992, p. 16).

3. Provide Needed Structure and Controls: Having a corporate culture lessens the need for a stiff bureaucracy in an organization that would hurt motivation and innovation (Kotter and Heskett, 1992, p. 16). This increase in motivation and innovation creates a more productive and successful organization.

"How to Build a Corporate Culture of Trust" by Lou Dubois

In this article, Lou Dubois, advocates that the most important aspect that builds a corporate culture is trust (p. 1). He says, "Whether you're talking sports, business organizations or anything else competitive, it comes down to creating a synergy and trust between members of your team" (Dubois, 2010, p.1). Creating a trusting environment allows for a better flow of information and feeling that your co-workers are not only advocating the best position for themselves, but also for you, and the organization as a whole. If this trust is built into the corporate culture, then it will be much easier for companies to work together and perform at the highest level possible.

Another important takeaway from Dubois' article is that he also looks at ways to implement trust through defining a strategy. This definition of a strategy can come in the norms associated within the corporate culture as well. Dubois also advocates that trust needs to be established on an individual level with other co-workers, customers, and through the top of the organization (p. 1). The four factors that Dubois believes measures trust the best are (p.1):

- Client Focus: belief that you actually want to help your customers

- Collaborative: work in a team and work with clients

- Transparency: be open and visible in the organization

- Timeframe: business in terms of relationships, not just transactions, think long term

"FutureBrand Study" by Business Wire

Another important study that was developed and one that directly relates to sports teams was the FutureBrand Sports Team Brand Valuation Study. This is important to include in the literature review because a very large part of measuring a team's success is the value of the team's brand. This is one of the major variables that will be analyzed in my research as well and is a great tool to utilize when I compare the Flyers and the Capitals. The brand consulting firm, FutureBrand did a study in 2002 and determined that the "loyalty of the local fan base is the leading driver of brand value" (FutureBrand, 2002 p.1). In this study they calculated the brand value among eighty U.S. professional sports teams in the four major categories of football, baseball, basketball, and ice hockey (p.1).

The value of each brand was determined by the following: " the revenue and profit stream generated by the brand, evaluating the data on a team's popularity and fan base, key factors driving fan interest across sports, and measuring the strength of degree of risk of the brand in its market in relation to its competitors" (FutureBrand, 2002, p.2). The study then identified five key characteristics that maximize a team's value (FutureBrand, 2002, p.2-4):

1. "A passionate local fan base is the single most important factor driving brand value." This is driven by, "the size of the team's hometown, average income of the fans and the community's identification with the team".

2. "Building a successful brand begins with the target audience; therefore the most robust brands have a strong home market base." The most successful teams have been in their cities for a very long time, thus helping the value.

3. "Sports brands create emotional consumer attachment unparalleled by any other industry." Teams can then leverage the attachment into licensing, merchandising, and etc.

FutureBrand explains that this attachment does not occur overnight and newer teams need to build their image over time to "capture true consumer loyalty."

4. "Stronger media markets produce stronger franchises and brands, with rare exception." The most successful franchises have access to larger media markets.

5. "A team's winning streak is less relevant once the brand is built, however, a winning record is helpful in building the brand." FutureBrand states that once a legacy is in place it's easier to retain brand value during losing seasons.

The most interesting part in this study is that these five key characteristics outline the major differences in success of the Flyers and Capitals. It becomes quite evident, as it will be explained later, why the Flyers have seen more success and have a much stronger brand. This study is a great way to analyze both teams.

"Perceptions of the Best and Worst Climates for Creativity" by Goran Ekvall

The last important article in this literature review is the source for the measurements used in my survey instruments. I issued these instruments to my study site: the employees of the Flyers and the Capitals. These measures were adopted from Goran Ekvall's ten dimensions of a company's situational outlook, or corporate culture. The following are the ten dimensions with brief explanations from Ekvall's measurements (Ekvall et all, 2000):

Dimension	Brief Explanation
Challenge and Involvement	Degree to which people are involved in daily operations, long-term goals, and visions
Freedom	Independence in behavior exerted by the people in the organization
Trust	Emotional safety in relationships.

Openness	When individuals can be genuinely open and frank with one another
Idea Time	Amount of time people can use for elaborating new ideas
Playfulness/Humor	Spontaneity and ease displayed within the workplace
Conflict	Presence of personal and emotional tensions in the organization
Idea Support	Ways new ideas are treated
Debate	Occurrence of encounters and disagreements between viewpoints, ideas, and differing experiences
Risk-Taking	Tolerance of uncertainty and ambiguity in the workplace

Philadelphia Flyers Company Overview

The Philadelphia Flyers were incorporated in 1967 and brought to Philadelphia by Ed Snider, who still currently is the Chairman of Comcast Spectacor. The Flyers have won two Stanley Cups, one in 1974 and the second in 1975, have had numerous division wins and playoff appearances, and made it back to the Stanley Cup Finals this past year despite a loss. The Philadelphia Flyers have had an immense and passionate fan base since their inception; the most important aspect in team profit. In a study by Karl Greenberg and his four parameters for determining fan loyalty, the Flyers were ranked in the highest tier (Greenberg, 2010). Various

sports publications have raved about the passion and dedication of these fans including a Sports Illustrated article that dubbed them the "Number 1 Hockey Town" in 2007 (Farber, 2007).
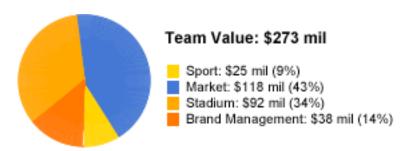
In 1996, Comcast Spectacor was created by an outstanding partnership with the Comcast Corporation and Ed Snider's firm called Spectacor Management (Comcast Spectacor, 2010). Comcast Spectacor was the "blueprint", "for owning and operating sports franchises, managing public assembly facilities and providing sports programming for regional cable television" (Comcast Spectacor, 2010). Comcast Spectacor is vital to the growth and sustainability of the Flyers because they streamline many of their costs. Comcast Spectacor owns the Philadelphia 76ers, Front Row Marketing Services, Ovations Food Services, New Era Tickets, four Flyers Skate Zones (ice rinks), and manages numerous venues across the country (Comcast Spectacor, 2010).

The Philadelphia Flyers currently have approximately 180 employees (not including actual players) (Philadelphia Flyers, 2010). The Flyers play in the Eastern Conference and in the Atlantic Division (Philadelphia Flyers, 2010). Each year Forbes.com does a complete team valuation for every team in the league and for 2009 the Flyers had a current value of 273 million, revenue of 101 million, and an operating income of 3.1 million (NHL Team Valuations, 2009). Below you will see other key data from their research (NHL Team Valuations, 2009):

Metro Area Population	5,838,000
Local Revenue per fan (in metro area)	$17
Wins-to-player cost ratio	84
Gate Receipts	$52 million
Average Ticket Price	$60
Major Corporate Sponsors	Anheuser-Busch, PepsiCo, Comcast, Verizon

	Wireless, Toyota Motor, AT&T
Naming rights sponsor	Wells Fargo
2008-2009 TV Ratings	2.4/2.7
Forbes overall rank (out of all 30 teams)	5

Valuation Breakdown

Source: NHL Team Valuations, 2009

Washington Capitals Company Overview

　　The Washington Capitals were founded in 1972 and first took to the ice in 1974 (Washington Capitals). They have been the Southeast division champions for the past three seasons and this past year had the NHL's best record with 121 points (Washington Capitals). The Capitals have had resurgence in the past four years primarily because of Alexander Ovechkin. Prior to Ovechkin joining the team the Capitals tinkered with successful seasons, but never had a really strong fan base. For example, in 2003, the Capitals overall value was only 115 million compared to the 183 million they are worth today (NHL Team Valuations, 2004). Ovechkin is said to be one of the best, if not the best, player in the entire NHL. He was drafted 1st overall in 2004 and started playing with the Capitals in the 2005-2006 season (Washington Capitals). In addition, the Capitals recent success can be seen in that this past season the Capitals, "boosted ticket prices by an average of 7% after a similar increase the previous year…and at the start of

this season the team was close to selling all 12,000 of its season tickets" (NHL Team Valuations, 2009).

The Washington Capitals are owned by Ted Leonsis, who bought them in 1999 (NHL Team Valuations, 2004). Prior to this past summer, Leonsis was the majority owner of Lincoln Holdings, who owned all of the Washington Capitals and "slightly less than half of the Washington Sports & Entertainment, owners of the MCI Center [now called the Verizon Center] and the Washington Wizards" (NHL Team Valuations, 2004). This past summer Leonsis merged Lincoln Holdings and Washington Sports & Entertainment to create Monumental Sports & Entertainment and now owns the Washington Mystics, Washington Wizards, and the Verizon Center (Ted Leonsis, 2010). This acquisition will definitely create a surge in the Capitals profits in the upcoming years.

The Washington Capitals have approximately 125 employees (not including actual players) (Washington Capitals, 2010). The Capitals play in the Eastern Conference and are in the Southeast Division (Washington Capitals, 2010). Forbes evaluated them at a current value of $183 million, revenue of $83 million, and an operating income of $-4.9 million (NHL Team Valuations, 2010). The operating income however, will probably drastically improve this year because the Capitals now own their arena. Below you will see other key data from their research (NHL Team Valuations, 2009):

Metro Area Population	5,358,000
Local Revenue per fan (in metro area)	$13
Wins-to-player cost ratio	121
Gate Receipts	$ 36 million
Average Ticket Price	$42

Major Corporate Sponsors	Chevy Chase Bank, Dewar's, Coca-Cola, Geico, Kettler
Naming rights sponsor	Verizon Communications
2008-2009 TV Ratings	1.1
Forbes overall rank (out of all 30 teams)	20

Valuation Breakdown

Team Value: $183 mil

- Sport: $34 mil (18%)
- Market: $70 mil (38%)
- Stadium: $57 mil (31%)
- Brand Management: $23 mil (13%)

Source: NHL Team Valuations, 2009

3. Empirical Study

Introduction

For my exploratory research I decided to issue a survey to employees from both the Flyers and Capitals. This will help me determine how each employee feels about their corporate culture and if there are any substantial differences between the corporate cultures of the different teams. This is particularly interesting because of the exact similarity of the product (running a professional ice hockey team). From personal experience, I noticed vast differences in the "vibe", the feeling in the workplace, each staff had. This research will be interesting to see if my observations were correct. It will be even more interesting to see if a certain corporate culture denotes a more successful organization.

I felt that the Flyers organization was much more strict and much more rigid. There was lightheartedness at times and the employees came off as great friends. However, when it came down to getting things done, if someone stepped on someone else's toes an angry tone would replace any good feelings. Each level of employees seemed very nervous to go against or say ideas in opposition to that of the manager above them. From the top down it came off as everyone was afraid of making mistakes. There is also an immense pressure for success.

The Capitals organization on the other hand seemed more relaxed. Everyone seemed to enjoy the conversations they had with all levels of management and weren't afraid to speak up. From an intern perspective the Capitals staff treated their interns with more respect and responsibility. For the three seasons I worked at the Capitals I was never called "the intern". I was given full responsibility of my duties. This example directly exhibits what cognitive psychologists call "expectancy theory". Expectancy theory proposes, " that people are motivated by their conscious expectations of what will happen if they do certain things, and are more productive when they believe their expectations will be realized" (Expectancy Theory, 2010). Employees at both organizations worked in a certain way because they knew that this was the accepted way of behavior. They also knew that if they acted a certain way their objectives would then be achieved and they would be fulfilling their expectations. At the Flyers it was a daily occurrence that I was labeled as the intern and looked down upon in a way. The Capitals staff seemed to be more accepting of a variety of ideas as opposed to taking a more hierarchical position.

Method

For my research I developed a survey that was administered via email to the employees in the Flyers and Capitals organizations. The first part of the survey had eight questions that

related to Ekvall's measures of corporate culture. The participants had to answer on a Likert

Scale from 1-5, 1 being "Never" and 5 being "All the Time".

Exploratory Research Question	Dimension from Ekvall's Measures
1. Do you have autonomy in your decisions?	Freedom, Challenge/Involvement
2. Are you open and frank with your co-workers?	Trust, Openness
3. Is there enough time to suggest and explore new ideas?	Idea Time
4. Is there a relaxed and fun atmosphere at work?	Playfulness/Humor
5. Is there a high level of conflict in your organization?	Conflict
6. Are new ideas received well?	Idea Support, Challenge/Involvement
7. How often are opinions voiced?	Debate
8. Is your organization tolerant of uncertainty and ambiguity?	Risk-Taking

The next part of the survey was a series of open-ended questions. There were eleven

questions and they offered explanations regarding some of Ekvall's measurements as well. All of

the participants answered all the questions to the first section and almost all the questions in the

second section. I will average the numbers in the first section from all the Flyers employees and

then all the Capitals employees and compare.

I have also gathered a lot of my information from personal experience and interaction

with both of these organizations. As mentioned before, I interned for the Capitals for three seasons and the Flyers for two summers. I directly worked with all of the people surveyed so it will be interesting to see how they answered compared to what I thought.

<u>Participants</u>

The information regarding the participants in the survey was gathered from personal experience. I have worked closely with each one of these people during my internships with both teams.

<u>Philadelphia Flyers Employees</u>

- Alicia DeFillipo – Marketing Coordinator: DeFillipo's responsibilities include developing the Philadelphia fan base through advertisements and promotions. She also focuses on maintaining relationships with the various vendors of the Flyers. She helps to design the season look, slogan, promotional designs, special event nights, and various other activities. On game night she makes sure all the sponsors have their various promotional material and that any special events at the arena are running smoothly. She does yearly recaps to present to sponsors and communicates with them on a daily basis. During the season she usually has two interns and during the summers up to four. She reports to the Marketing Manager and the Vice President of Business Operations.

- Michaela Sweet - Game Presentation Coordinator: Sweet's job is to coordinate every facet of the game day presentation. She brainstorms and designs all the video, promotional spots, in game activities, ice crew, music, and games. She is responsible for making sure everything is running on time and everyone is staying on schedule. She writes the script for the in-game announcer and decides when and where various items should be announced. She interviews various members of the Flyers organization to gain

material for the videos and she escorts the guests that will be on TV during the game. During the summer, she helps run the community programs as well. She normally has one intern during the year and doesn't need one during the summer. She reports to the Game Promotions Manager and the Vice President of Business Operations. She also sits in on the marketing and community relations meetings.

- Kevin Kurz – New Media Manager: Kurz' job involved a much larger commitment than normal front office jobs in sports teams. He also just recently left the Flyers to take a job at Comcast SportsNet. However, when he was with the Flyers, Kurz traveled with the team to every city to cover each game as it was happening. He was responsible for all the Internet content and updates during the game and the recap after the game. He kept a blog called "On the Fly" to report on various topics that were affecting the Flyers. He interviewed the players after each game to edit and upload the video for the website. He was basically the liaison between the players and the media that went on the Flyers website. During the year he had one intern that did not travel with the team and during the summer he had one intern as well. He reported to the Marketing Manager and Vice President of Business Operations. He also sat in at meetings in various departments.

Washington Capitals Employees

- Tim Bronaugh – Director, Amateur Hockey Sales: Bronaugh is responsible for the distribution and selling strategy of individual game tickets, partial plans, and season tickets to groups that are involved with hockey in the area. He reaches out and builds relationships with youth ice hockey teams and organizations in the area. He sends them promotional material and helps to get them involved with the Capitals. This also helps in building a fan base for the Capitals. Bronaugh organizes youth, college, and adult teams

to play before and after Capitals games. He also organizes fundraisers for various teams in the area by means of selling programs during the game. In addition to these tasks he also reaches out to the youngest teams in the area to play "Mites on Ice" during intermission of Capitals games. These activities usually result in increased ticket sales for each game because of the influx of people coming into the arena. Bronaugh reports to the Senior Vice President of Ticket Sales and usually has three to four interns during the year and none during the summer.

- Lauren Gilmore – Promotions Coordinator: Gilmore's job is to develop, research, and coordinate promotions for the Capitals games and events. She is responsible for organizing the giveaways on game nights, which involve communicating with vendors and building relationships with the sponsors so they can pay for the game night giveaways. She helps to plan special events and helps to coordinate what might be needed at each event. She also helps to run the Caps Kid's Club, which is a fan club for young children. During game nights she organizes the give-aways and any other promotions that run during the game and also sits at the Caps Kid's Club table. She normally shares the interns in the other departments and reports to the Director of Fan Development and Promotions and the Vice President, Chief Marketing Officer.

- Kevin Giambi – Mascot Coordinator: Giambi is responsible for all of the appearances the mascot makes and what the mascot needs to do during the game. Giambi, is also the mascot. He dresses up in Slapshot's costume and during the entire game runs around the arena and excites the fans. He helps to run promotions and skates on the ice during the Mites on Ice. He also goes out in the community to visit schools and does community service throughout the DC metro area. He doesn't usually have any interns and reports to

any of the heads of the various departments when they may need him for something and the Vice President, Chief Marketing Officer.

Variables

In order to measure the success of each team the following variables will be taken into consideration. For many of these variables, the data has already been presented in the introduction of both teams. In this section, each of the variables will be explained.

- Revenue: the revenue is the amount of money each team generates from the various aspects of their business. This variable is pretty self-explanatory and can be gathered from the data presented on the Forbes website. This is one of the most basic determinates of success. The higher the revenues the better each entity of the business is doing.

- Current value: the value of the team is based on the value of the arena if a deal was to be made (NHL Team Valuations, 2009). The current value is extremely important because it reflects an unbiased value that the arena could be sold for.

- Brand Recognition (measured by Valuation Breakdown chart): There are four variables that determine brand recognition. The following are the four determinates from the NHL Forbes Valuation from 2009:

    o Sport: "portion of franchise's value attributable to revenue shared among all teams."

    o Market: "portion of franchise's value attributable to its city and market size."

    o Stadium: "portion of franchise's value attributable to its stadium."

    o Brand Management: "portion of franchise's value attributable to the management of its brand."

- Fan Engagement: Fan engagement will be measured by a Forbes' study as well as

personal experience with both fan bases. Fan engagement from the Forbes' article was

measured by three metrics and then a rank was developed of all the NHL teams into the

"Best and the Worst". The three measures were: "average regular-season home game

attendance as a percentage of arena capacity, regular season local television viewers as a

percentage of the team's metro area population and team merchandise sales" (Settimi,

2009).

- Major Corporate Sponsors: The sponsors that teams attract are a very important indicator

  of the strength and success of the business. National corporations search for teams that

  are successful and will enhance their business. Large sponsors won't seek teams that

  don't have a large fan base or large market share. By analyzing this as a variable I can

  explore how each team's employees are doing in seeking sponsors and to what degree

  their sponsors are powerful; thus measuring each team's success.

4. Data Results of Employee Surveys and Analysis

After averaging up all of the numbers from the Flyers employees and Capitals

employee's responses from the first section of the survey, the following has been collected:

Question	Flyers Employees Average N = 3	Capitals Employees Average N = 3
1. Do you have autonomy in your decisions?	3.67	3.67
2. Are you open and frank with your coworkers?	4	4.67
3. Is there enough time to suggest and explore new	2.67	3.33

ideas?		
4. Is there a relaxed and fun atmosphere at work?	3	4.67
5. Is there a high level of conflict in your organization?	2.67	2.67
6. Are new ideas received well?	3.67	3.67
7. How often are opinions voiced?	4	4.33
8. Is your organization tolerant of uncertainty and ambiguity?	3	3

When it comes to the numbers here, both teams got the exact same average in: autonomy, level of conflict, reception of new ideas, and uncertainty and ambiguity. However, the Capitals had a higher average in all the other items. These were: open and frankness, time to explore new ideas, fun and relaxed atmosphere, and how often are opinions voiced. Although, this data is not statistically significant, it does give incite into future research. I think that these numbers reflect the differences in corporate culture of the Flyers and Capitals very well. The Flyers organization, from the top down, is so competitive that the fun sometimes does get taken out of the job. Upper management has very high standards and strict guidelines and there is a great amount of pressure for excellence exerted upon employees. This fact however, stems from the long and fantastic history of the Flyers. The fans demand more; they are more in-the-know, more passionate, and more loyal, thus putting extra pressure on upper management and employees.

The Capitals on the other hand have only had recent success and extreme popularity and the pressures of a dedicated and demanding fan base have not pressed upon the organization as hard thus far. Employees are more relaxed and do get along better. From personal experience the Capitals employees do treat their interns with more respect and have a more enjoyable atmosphere at work. The fact that they scored higher in these areas is definitely reflective upon upper management. Despite being a great businessman, Ted Leonsis, is a more approachable person. He doesn't have the stigma of being a competitive leader that won't accept any ideas other then the winning ones as Ed Snider of the Flyers comes across. This difference in owners and demands from the fans does affect the corporate culture and can be seen from the Flyers and Capitals. It would be interesting to see if this changes a few years down the road if the Capitals continue with their success.

For the open-ended section, rather than listing all the responses I'll briefly discuss the responses among the Flyers and Capitals. The three main concepts drawn from this exploratory research are the following:

1. Long Work Hours equals the same "Affect" State across all employees in both organizations

The long work hours of the sports industry tended to draw almost identical responses between employees of each teams. The long work hours translated into a more committed and motivated workforce. When the question was asked how committed and motivated the workforce was all three of the Flyers employees stated that the entire workforce was very committed and Michaela Sweet said, "Myself and my coworkers believe in our product and are very dedicated to our organization's success." When asked how open and frank their workforce is and level of disagreement all basically agreed in that the workforce was open and frank and there were few disagreements. All three employees mentioned that there is ease among employees because of

the great amount of time they spend together – especially on game days. Michaela Sweet said, "Our organization is unique in the amount of time we spend with our coworkers. We view ourselves as more as a family unit rather than a work team." Alicia DeFillipo had a similar view and said, " Our work environment is very close and tight-knit, mostly because of the amount of time we spend together during game nights and events."

Much like the Flyers, when the Capitals employees were asked how motivated and committed the workforce as all three employees agreed that there was a very high level of commitment and motivation. Lauren Gilmore said, "We are all very committed and dedicated to the organization. All of us work such long hours that you have to have a good attitude and drive to thrive in the sports industry." This similarity is definitely reflected in both cultures of both teams. There are forty home games not including playoffs and on those days the average work hours are from 9 am to 10:30 pm. A high level of commitment is definitely present in both cultures. When it comes to understanding the importance of their work and being open and frank all employees answered that the organization was very open. Tim Bronaugh stated, "Being open and frank is the best way to communicate."

2. Flyers responses change after one employee leaves the organization

The largest differences and most interesting aspect of the Flyers surveys was the response of Kevin Kurz, who recently left the organization. Kevin did not leave because of these reasons, but he simply got a better job to further his career. When asked about rules and guidelines Kevin responded, "There is a "Top 10" list that is supposed to be followed by company employees, but is largely ignored by people in positions of authority, therefore nullifying its effectiveness." The other two employees, Alicia and Michaela both answered that each employee has given tasks and rules, but can diverge and have the freedom to explore new ideas. I think this point is extremely

interesting regarding how employees respond once they are out of the organization. I definitely think, from personal experience, that Kevin's view seems to be more correct, however he does seem rather cynical. I thought that the Flyers had very strict guidelines to follow and needed approval for even minor changes they wanted to see happen.

The last point that is interesting is when asked, "How often are opposing opinions voiced?" Kevin responded, "It generally wasn't worth the effort to voice opposing opinions, because the level of micromanagement was out of control." Alicia vaguely responded saying, "There are weekly brainstorm meetings set within each department" and Michaela said, "All the time and that is what makes a good organization." I think these differences really speak to the culture of the Flyers. The Flyers top management is extremely competitive to the point where the higher up you are, the better opportunity you have at really affecting the organization. I noticed at the weekly brainstorm meetings ideas were shot down pretty quickly when the top executive was in the room. In smaller department meetings however, information and ideas did flow much easier. This trickle down effect from top management and therefore the owner of the organization is really what sets this standard and illustrates the Flyers corporate culture.

3. Fan demands and pressures have an affect on employee's demands

As mentioned above, the Flyers fan base is extremely well informed and dedicated. It is very hard to hide anything from this fan base. The fans demand hard work and success. The pressure is extremely high and has been since the organization's conception. On the other hand, the Capitals have just felt a recent demand that was never present before. The fans are not as informed with the game and many are new fans. This takes the pressure off the organization in some sense. This pressure translates into a great strain that the Flyers employees have to take upon themselves more so then the Capitals employees. This difference is a prime reason for the

Capitals seemingly more fun and accepting corporate culture.

Kevin Giambi from the Capitals said, "We do take time for ourselves. Employees regularly use time during the day to hit up the gym and work out or take a long lunch." This is definitely indicative of the more easy going culture of the Capitals, something that would not likely to occur at the Flyers. From personal experience I witnessed the Flyers taking very quick lunches in which were usually hurried by the fact that certain items on their agenda always needed to be completed.

5. Discussion

From my exploratory research, personal experience, and studies of corporate culture in my undergraduate classes I have learned that the specific culture of an organization is set forth by the owner. The owners of the Flyers and Capitals are very different people in regards to their personalities. These factors mixed with the pressures from the fans and market, I believe are what really have affected the corporate cultures of each organization. Ed Snider, owner of the Flyers has been the owner since the Flyers conception. The team was his idea and he has literally grown old with the Flyers. He is ultra competitive and very hard to please. He expects nothing less than the best and this attitude filters down through the organization and into the market. This pressure is reflected among the employees and this pressure, is what I believe makes the Flyers cultures more tense and not as enjoyable.

Ted Leonsis, of the Capitals, on the other hand, has only been with the Capitals for eleven years. He was committed to bring the Capitals to one of the premier organizations and has achieved his goal despite not winning a Stanley Cup. He comes off as being more jolly and accessible. He even keeps his own blog on the Capitals website and regularly speaks to fans. This attitude does filter down to the employees and a sense of comfort seems to be among

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employees. In the literature review, Kotter & Heskett's study mentions the importance of a strong founder that influences a strong and more effective corporate culture (Kotter & Heskett, 1992, p.7). This is precisely the difference between these two teams. Although Leonsis is a strong leader now, Ed Snider was the founder of the Flyers and has been their voice since the very beginning, thus developing an unwavering corporate culture.

When it comes to the success of the teams, it is evident, by the charts shown earlier that the Flyers are much more successful in terms of revenue, current value, brand recognition, fan engagement, and major corporate sponsors. Along with the higher revenue and current value, the Flyers also have a more loyal fan base and have national sponsors as compared to the Capitals who have mainly local sponsors. I think that this ultra competitive atmosphere allows for the Flyers success. Never accepting anything less than perfection, instilled by senior management, definitely plays a role in the Flyers dominance. An extremely important aspect, one in which all the revenue and value is driven by, is fan loyalty. In the FutureBrand study, the Flyers were listed as #46 from all professional sports in 2002 (FutureBrand, 2002). If you consider how much more popular baseball and football are in this country, it is pretty remarkable. The Capitals, however, were not even on this list. In my research of premier sports franchises the Capitals very rarely came up. The Philadelphia market is demanding and has an exceptionally loyal fan base that is the key determinant for success; one that affects the overall profitability of the organization and keeps the pressure on employees (FutureBrand, 2002, p.3)

In the FutureBrand study, one of the key characteristics of a sports team's brand value displays perfectly the situation regarding the Flyers and Capitals. As mentioned in the literature review, this fifth characteristic says, "A team's winning streak is less relevant once the brand is built, however, a winning record is helpfully in building the brand. The existence of a legacy of

winning is critical to building brand loyalty. Once a strong brand is established, it is easier to retain brand value during losing seasons" (FutureBrand, 2002, p.3). When talking about fan engagement, this metric is very important. The Flyers have filled capacity even in years when they had a losing record (Settimi, 2009). The Capitals on the other hand, have only sold out their arena for consecutive games in the last three years. The fans have not yet become the demanding and loyal fans of the Flyers yet, and it will be interesting to see in the future how the Capitals staff responds to these demands. This difference in levels of pressure is what I see as being the key difference in the corporate cultures of both organizations.

6. Conclusion

Upper management and the pressures of the market influence firms when looking at the success of their corporate cultures. A corporate culture can have the ability to push employees in different directions and affect the overall accomplishments of the organization. As of today, the Flyers are currently in first place in the entire league and the Capitals are in second place; only to be separated by one point (The National Hockey League, 2010). With both teams having such success it makes it hard to determine if one corporate culture is more efficient. However, if you look in the long term, the Flyers organization has had sustained success and profitability since the 70's while the Capitals have only had large success in the past three years. Is the corporate culture affecting this extended tenure of profitability? I believe that the market these sports organizations are in defines the corporate culture, and it's hard to compare teams that have very different histories. However, currently these two different corporate cultures do seem to be having positive results for each team.

This study could be revisited and built upon down the road, possibly after the Capitals have had sustained success and a solid, loyal fan base. It would be interesting to see how the

Capitals staff and upper management respond to an increase demand for perfection by the fans. Once the fan base becomes more knowledgeable and expects certain things of a winning franchise, it could possibly change the corporate culture of the Capitals front office. Would the Capitals corporate culture switch to one of competitiveness such as the Flyers currently operate in? Will the Capitals culture become less open and friendly with the increased pressure over the years? Only time will tell, thus making this study very interesting to revisit again in a few years.

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