Strategic Responses and Disclosures in a Sporting Drugs Scandal:  
The Case of the Essendon Football Club

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Abstract: This case utilises Oliver’s (1991) framework of strategic responses to institutional processes to provide insights into the actions of an Australian football club faced with a prominent drugs scandal. It analyses public disclosures and statements by senior executives and coaching staff of the Club across the period 2012 to 2016 in the face of heavy media attention, as well as narrations and content through its annual reports. A defiance response strategy is identified and characterised using Oliver’s framework. This case study presents lessons on how organisations may deal with these types of scandals, and how actors may alter their strategies to have their best interests served in a public sports scandal.

Key Words: Institutional Processes; Crisis; Sports Doping; Sports Scandal; Strategic Responses; Australian football
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1 Introduction

As we enter one of the most important periods in the history of the Essendon Football Club, both on and off the field we are confident the foundations have been laid for strong future growth and sustained success. The challenge, as it is every year, is to stay ahead of the curve. The Board, administration, players and coaches are doing whatever it takes to gain the edge that will put us ahead of the opposition (Ian Robson, CEO, Essendon Football Club, Essendon Football Club 2012 Annual Report, p. 4, Italics inserted).

This study examines the most significant scandal in the 150-year history of Australian football (Wilson, 2013) (hereafter termed the Supplements Scandal – “SS”). The case involved a club’s sports science program, where numerous players were allegedly injected with two drugs previously banned by anti-doping agencies. The case was prominent in the media, as well as resulting in court cases and tribunal hearings across a three-year period. Moreover, despite legal proceedings finishing in October 2016, the case still attracts widespread debate within the sports media (Cherny, 2018). Oliver’s (1991) framework of strategic responses to institutional processes is used to analyse the public disclosures and statements about the SS by senior executives and coaching staff through the media and annual reports.

Organisational crises and scandals not only threaten firm survival they intensify stakeholder demands. Accordingly, these events represent fascinating cases for study (Marcus and Goodman, 1991). Similarly, sports scandals can threaten the existence of sport businesses or prompt these to make significant organisational changes (Storm and Wagner, 2015). A scandal in the sporting contest amounts to the “violation of illegal or unethical behaviors” (Prior et al., 2013, p. 201). Sports scandals can arise in a number of ways including: bribery; match-fixing; point-shaving; gambling; salary cap breaches; illegal payments; betting scams and doping (Harper and Donnor 2015; Lordan 2014). These scandals are a destruction of assumptions that stakeholders hold and are occurrences that may be deemed disgraceful, and or, morally discreditable (Harper and Donnor 2015; Lordan 2014; Lumpkin, 2011). The aftermath of scandals in professional sports are negative impacts on reputation often leading to public disgrace, fines, bankruptcy, dismissals, jail term and loss of key stakeholders (Stewart et al., 2011).

While drugs have been an ongoing feature of both ancient and modern sports, there has been an unfortunate growth in the use of sports specific drug consumption to enhance performance (Mazanov and Wool, 2017). Much has been written on why drugs in sports can be harmful such as damage to the health of athletes, providing doped athletes an unfair competitive
advantage and undermining of the sport’s reputation (Preston and Szymanski, 2003). Yet despite these serious outcomes, drugs scandals in sport are rarely examined with any deep reflection (Storm and Wagner, 2015). This means that the lessons from the scandals, including how organisations should respond, are less likely to be heeded. Further, Prior et al., (2013) noted that consideration of the long-term impact of scandals within sports literature is not often analysed.

In response to this lack of research into sports scandals, we examine the institutional processes that impacted upon the Essendon Football Club (EFC) during the SS and analyse the disclosures and actions the Club initially adopted. These involved defiance strategies to avoid sanctions and to shape external perceptions of their organisation. This strategy failed to overcome the issue and, ultimately, lead to the Club developing a more acquiescent approach involving acceptance of significant penalties. In addition, the SS ultimately resulted in the Club replacing key employees, including the President, CEO and Coach.

To enhance understanding of the EFC’s responses to the fallout resulting from the SS, this paper employs Oliver (1991) who identified five forms of reaction by organisations to pressures from stakeholders: acquiescence, compromise, avoidance, defiance, and manipulation. Each of these responses reflects progressively more active approaches to dealing with institutional expectations. Circumstances dictate whether any one of these strategies may be effective at any given time. We also employ Oliver’s (1991) dimensions that seek to predict the likelihood of organisational resistance based on boundaries relating to the willingness and ability of organisations to conform and the associated costs and benefits.

The case commences in February 2013 with the public announcement that the EFC was being subject to a formal investigation by the Australian Sports Anti-Doping Authority (ASADA). The SS was long and drawn out - in October 2016 the final Club appeal to the CAS (Court of Arbitration for Sport) was dismissed, and in September 2017, the last player claim for compensation was settled. Other actors in this historic case included the AFL (Australian Football League) and the World Anti-Doping Authority (WADA).

We address three research questions in this study:

1. How did the EFC respond to the SS during the period from 2013 to 2016?
2. Using Oliver’s (1991) framework, what factors, might explain the responses employed by the EFC to the SS?
3. What was the impact of the SS on the EFC across the period 2012 to 2016?

The paper evaluates the potential influence of the institutional environment on a professional sporting organisation’s response when faced with scandal and applies Oliver (1991) in a business of sport context. While sports scandals are not a new phenomenon (Crowther, 2002), these are not often discussed in the research literature with any deep theoretical reflection (Storm and Wagner, 2015). Furthermore, research into sporting scandals has tended to focus on governance issues rather than strategic responses to the crisis (see, for example, Phat et al., 2016; Michie and Oughton, 2005). Where sports management literature has considered scandals, researchers have tended to rely on parsimonious models of strategic responses to crises such as Benoit (1995; 1997). There has also been a tendency to utilise surrogates to assess the impact of scandals. For example, Hwang and Chung (2018) conducted an experiment using students. There have also been studies that developed conceptual models such as Prior et al., (2013) who modelled the effects of scandal on sports consumption. Few studies have focussed on ‘real world’ case studies of scandals in sporting clubs informed through a theoretical lens.

This study also contributes to our understanding of institutional theory in several ways. Previous related studies limit their research to the effects of the institutional environment on structural conformity. There has been little examination of the influence of active agency and resistance (e.g. Oliver, 1991). The present study focusses on a case where active agency and resistance occurred across the the SS. Hence, we add to prior research where acquiescence tends to be the prevailing strategy (see Guerreiro et al., 2012). Instead, we document an organisation’s response where it sought to employ an active defiance strategy to deal with an emerging problem.

In contrast to the generally limited data sources used in previous studies of organisations’ voluntary disclosures which have often relied on Annual Reports or surveys (see, for example, Broberg et al., 2010; Guerreiro et al., 2012), the present study analyses these disclosures over time using a combination of sources. These include quotes from senior actors within the EFC in its media releases; quotations in the general media; a major report that was released following an internal investigation of the matter, and a comprehensive autobiography covering the events written by a key EFC insider. These primary sources together with annual reports of
the Club and AFL provide deep insights into the SS. The case developed rapidly and continued to be played out in the media from the beginning to the end (Storm and Wagner 2015).

This paper is structured as follows. The next section provides an overview of the history of the AFL and the EFC, including details of the SS and how the Club dealt with this issue. The theoretical framework based upon our analysis is then presented along with a discussion of the research method and data sources used. Results are then presented and discussed, followed by our conclusion including study limitations, along with some suggestions for future research.

2 Background

2.1 Australian Football

Australian Football evolved from games played on the parklands of Melbourne shortly after the gold rush of the 1850s (Blainey, 2003). After the rules were codified in 1859, clubs and leagues were formed throughout the southern states of Australia. The Victorian Football Association (VFA) was established in 1877 and this quickly became the country’s major competition. However, in 1897 a new competition formed by six of the strongest clubs broke away to form the Victorian Football League (VFL) (Halabi et al., 2016). The VFL became the game’s most supported league as it cornered teams from the more populated inner suburbs of Melbourne (Halabi et al., 2016). In 1990, the VFL expanded to become the Australian Football League (AFL).

Today, the AFL comprises 18 professional teams that compete in a national league encompassing almost all Australian states. Since the 1990’s, the competition is overseen by a Commission independent of the clubs, with primary responsibility for the long-term development of the game and the successful operation of the league. The Commission negotiates issues such as merchandise licences, broadcast rights, stadium development and player collective bargaining agreements on behalf of the clubs.

Australian football’s impact on the economy is the largest of any Australian sport. In 2017, the AFL was listed as the 78th top private company in Australia and the largest in the “Arts and Recreation Services” category with a turnover of $578 million (Australian Financial Review, 2017). Underscoring its financial wealth, the AFL received $2.508 billion for TV broadcast rights in 2015 - the largest of any sport in Australia’s history (King and Guthrie, 2015).

2.2 The Essendon Football Club (EFC)
The EFC is widely regarded as one of the largest and most successful football and sporting clubs in Australia (Wilson, 2013). Formed in 1872, it is also one of the oldest sporting clubs in the world (Halabi et al., 2012). The Club was a founding member of the forerunner to the AFL, the Victorian Football League (VFL) in 1897, and has won 16 League premierships making it the equal record holder. In 2018, it possessed over 79,000 financial members, the fourth highest in the competition, and it earned revenue of $65 million (third highest) (Waterworth, 2017).

2.3 The Supplements Scandal (SS)

In February 2013, the Australian Sports Minister with the Australian Crime Commission announced that Australian athletes were involved in systematic use of banned performance enhancement substances (Australian Government, 2013). In the same month, the EFC was investigated by both the AFL and the Australian Sports Drug Agency (ASADA) in relation to its sports science program. Investigations allege that players had been subject to an injecting regime consisting of banned drugs that included AOD-9604, and Thymosin Beta 4. The drug AOD-9604 was initially developed as an anti-obesity drug yet was also widely marketed as one that can burn fat and build muscle mass (Wittert, 2013). Thymosin Beta-4 on the other hand is a peptide used to promote healing (Pipes and Yang, 2016). The EFC claimed at the time that they believed the drug AOD-9604 was approved for use by the World Anti-Doping Agency (WADA) (Paton, 2013). WADA and ASADA had, however, previously declared AOD-9604 a banned substance for athletes in any circumstances (Paton, 2013).

During the investigation, Essendon players and coaches were interviewed from March to June 2013. In August of that year, the AFL and EFC received a 400-page "interim report" from ASADA, which resulted in key club officials including the coach, assistant coach and football manager being charged with “conduct likely to bring the game into disrepute or prejudice the interests of the AFL”. The AFL then issued severe sanctions and fines which saw the Club banned from the finals series, fined $2 million, and disqualified from fully participating in the next two national drafts (Walsh, 2013). Penalties included the coach receiving a 12-month ban and the Club’s football manager banned for six months. The penalties were described as “the most significant sanctions in AFL history” (Wilson, 2013). The AFL Commission Chair stated:

The issues involved in the Essendon Football Club supplements program are deeply disturbing. The investigation undertaken in the past six months and the actions we have taken today reflects this gravity (The Age 2013b).
After fining the Club, the focus of the investigations turned to the players. In June 2014, ASADA issued formal allegations of possible anti-doping rule violations to the 34 players who had allegedly taken the banned drugs. At that point, the EFC commenced a Federal Court case against the AFL-ASADA joint investigation process. The Federal Court case was heard in mid-August and on 19 September of 2014 it handed down its judgment dismissing those allegations.

In March 2015, the tribunal established by the AFL to examine allegations against the players, announced they were not guilty of using banned substances. WADA then became involved and appealed this decision to the Court of Arbitration for Sport (CAS) in May 2015. In January 2016, the CAS ruled in WADA’s favour and over-road d the AFL’s verdict. Based on this ruling, the players were suspended for two years. This outcome meant that all 34 players missed the entire 2016 season. As a final resort, the EFC appealed to the Swiss Federal Court. That appeal was dismissed in October 2016 and this effectively ended the scandal.

A detailed breakdown of the key events in the SS are provided in Appendix One.

3. Oliver’s Framework of Strategic Responses

Oliver’s (1991) seminal model is grounded in institutional theory and is ideal for helping understand the types of responses of the EFC to the SS and the various factors driving these responses. Institutional theory argues that aspects of formal organisational structure, policies, and procedures flow from what comprises acceptable practice and the perceptions of powerful constituents (Scott 1987; DiMaggio and Powell 1983; Bealing, et al., 1996). Organisations adhere to these rules and structures to ensure their legitimacy and survival (Kondra and Hinings 1998). Institutional pressures combine with other factors to impact on various aspects of organisations structures and processes.

Meyer and Rowan (1977, p. 346) theorised organisations as “dramatic enactments of the rationalized myths pervading modern societies”. They argued that a certain practice can be codified into myth-like form. Rules and public opinion make it important for organisations to conform to new structures. Also, influential stakeholders seek to dictate the social order. By developing a structure that follows accepted convention, an organisation shows that it is legitimate. Entities that fail to follow conventional structures and processes risk forfeiting stakeholder patronage.
These pressures initiate the process of isomorphism. This is a process that forces one unit in a population to look like other units facing a similar set of environmental conditions (DiMaggio and Powell, 1983). This process of isomorphism facilitates the success and survival of organisations (Meyer and Rowan, 1977).

As noted above, institutional theory argues that organisational survival occurs by conformity with the institutional environment through adhering to rules and norms (DiMaggio and Powell, 1983). Therefore, organisational behaviour reflects the degree of conformity of organisations to the institutional pressures imposed on them by their environment (Voinea and Van Kranenburg, 2017). However, organisations will not always obey institutional pressures, as their response to these pressures will fluctuate depending on the context and nature of the various institutional pressures they face (Oliver, 1991). Put another way, “organisational behaviour may vary from passive conformity to active resistance in response to institutional pressures, depending on the nature and context of the pressures themselves” (Oliver, 1991, p. 146).

Accordingly, even though institutional theory provides useful insights into understanding organisational behaviour as a response to the environment, the use of institutional theory alone to explain it is sometimes considered too limiting (Voinea and Van Kranenburg, 2017). Given these limitations, so-called “neo-institutionalism” incorporates organisational action with the external environment, to explain the firm’s strategic choices (Greenwood and Hinings, 1996). Neo-institutional scholars like Oliver (1991) have proposed to rectify the overly passive and conforming depiction of organisations for which institutional theory has been criticised, by including elements of resource dependence theory.

The traditional institutional perspective has also been criticised for neglecting the role of organisational self-interests and active agency in organisational responses to institutional pressures and expectations (Voinea and Van Kranenburg, 2017). In the present study, we therefore employ Oliver’s (1991) model as it can accommodate self-interested and active organisational behaviour when the organisation, the EFC in this case, responds to institutional pressures and expectations in more than passive ways. A summary of Oliver’s (1991) model now follows.

Oliver (1991) examined responses to institutional processes and aimed to categorise the reactions of organisations to institutional pressures that result in conformity. Oliver (1991) identified five strategies, or stages of reaction to environmental demands toward compliance:
acquiescence, compromise, avoidance, defiance and manipulation. Each represents increasingly active forms of strategy intended to navigate institutional requirements and expectations. She argued that, depending on the circumstances, any of these strategies may be appropriate. A brief description of these follows:

**Acquiescence**: An organisation will give into institutional pressures by following norms, copying institutional models, or following accepted rules (Oliver, 1991, p.152). Where penalties and enforcement are strong, potential costs of deviating from acquiescence are unacceptable.

**Compromise**: This strategy reflects efforts to balance expectations of multiple constituents and placate institutional elements.

**Avoidance**: This strategy reflects efforts to hide non-conformity and to weaken the extent to which the organisation is scrutinized by outsiders.

**Defiance**: In a situation where enforcement of rules is poor, the organisation may dismiss, or ignore rules altogether. At the extreme, where the organisation is against particular norms it may make a “make a virtue of its insurrection” (Oliver, 1991, p.156).

**Manipulation**: This is “the purposeful and opportunistic attempt to co-opt, influence, or control institutional pressures and evaluations” (Oliver, 1991, p.157). This approach may be successful where institutional forces are weak.

**Oliver’s (1991) Predictive Dimensions.** Oliver (1991) also proposed that the five strategies could be applied in a predictive way based on the willingness of organisations to conform, and the related costs and benefits of employing this approach. Oliver’s model contains 10 predictive dimensions, five of which are most likely to show a directional relationship between the causal factor and strategy choice (1991, pp. 159-72). Each of these five are presented below:

1. “The lower the degree of social legitimacy perceived to be attainable from conformity to institutional pressures, the greater the likelihood of organisational resistance to institutional pressures.”

Oliver (1991, p. 160) argued that an organisation was less likely to resist these pressures where conformity was likely to restore social legitimacy.
2. “The lower the degree of economic gain perceived to be attainable from conformity to institutional pressures, the greater the likelihood of organizational resistance to institutional pressures.” (1991, pp. 160-161)

Oliver (1991, pp. 160-61) argued that where the economic impact of a scandal was likely to be insignificant then resistance to the institutional pressures was likely to be greater.

3. “The greater the degree of discretionary constraints (i.e. greater the loss of decision-making discretion) imposed upon the organization by institutional pressures, the greater the likelihood of organizational resistance to institutional pressures.”

Discretionary constraints are defined by Oliver (1991) as an organisation’s level of decision-making choice. Oliver (1991, p. 166) argued that “as anticipated constraints on an organization's autonomy increase to high levels, those institutional constraints may be challenged or attacked”.

4. “The lower the degree of legal coercion behind institutional norms and requirements, the greater the likelihood of organizational resistance to institutional pressures.”

Oliver (1991, p. 168) argued that “acquiescence best serves the organization's interests when legal coercion is high, that is, when the consequences of nonconformity are highly punitive and strictly enforced”.

5. “The lower the level of uncertainty in the organization’s environment (i.e. the degree to which future states of the world cannot be anticipated and accurately predicted), the greater the likelihood of organizational resistance to institutional pressures.”

Oliver (1991, p. 170) defined environmental uncertainty as the degree to which future states of the world cannot be anticipated and accurately predicted. She predicted that acquiescence and compromise will most likely occur when environmental uncertainty is high.

Research into Corporate Scandals and Crisis Management. There is no one systematic or widely accepted strategy for managing crises. Pearson and Clair (1998) argued that much of the literature has been discipline specific and lacks integration. Generally, the literature concludes that crisis management efforts will be more successful if information is disseminated quickly, accurately and candidly to key stakeholders.
Various descriptive models have been employed to the study of crisis management. These frameworks utilise variable identification and relationship specification processes necessary for strategy determination. Examples include Milburn et al. (1983), Mitroff et al. (1992) and Gonzalez-Herres and Pratt (1996). As an example, the latter study used a proactive, symmetrical crisis-management process with four main steps: (1) Issues management--including scanning the environment, collecting data, and developing a communication strategy; (2) Planning prevention--including monitoring the environment, establish information/warning systems, and developing internal communication procedures; (3) The crisis--including evaluating the company's response, pre-empting negative publicity and targeting messages, and; (4) The post-crisis--including paying attention to constituencies, monitoring the issues, continuing to inform the media, and evaluating the crisis plan.

Burnett (1998) summarised this literature on models of crisis management as possessing five basic aspects:

1. a set of antecedents (internal/external) conditions that determine the degree of control the organization has over its environment as well as its susceptibility to crisis,
2. a typology of crises (based on susceptibility, control, positive or negative consequences, and structural similarities) that serves as the initial crisis-detection system,
3. a crises assessment mechanism that considers the following criteria; (a) the relative threat level, (b) time restrictions, (c) the decision makers involved, (d) the quantity and quality of information, and (e) the short-and long-term implications if action/non-action is taken;
4. establishment of an organization structure for managing crisis and that suggests a response pattern both at the individual and organizational level, and
5. a mechanism to assess the success of solutions (p. 479).

Crisis Management in Sports Management. There have been few studies that have applied crisis management models to the sports management literature. An exception is Benoit (1995; 1997), who developed a parsimonious model of image repair suggesting strategies such as denial, evasion of responsibility or mortification. Some researchers in the sports literature have referred to this theoretical lens (see Hwang and Chung, 2018) but it has been criticised by others (see, for example, Brown, 2014) for not always being optimal for repairing or protecting a damaged image. Westberg et al. (2008) developed a model exploring player transgressions but their focus was on factors that might influence a stakeholder’s response to an athlete’s misconduct rather than the organisation’s response.
Application of Oliver (1991) in the Business and Sports Literature. The work of Oliver (1991) has been highly cited in business (see, for example, Litrico and David, 2017; Miller et al., 2017). According to Google Scholar, her seminal paper has been cited almost 10,000 times reflecting the wide-reaching impact of this research. Her work has also been cited across a wide variety of fields. For example, her framework has been adopted numerous times as a framework for: managing organisational legitimacy (see, for example, Suchman, 1995; Kostova and Zaheer, 1999); understanding the dynamics of organisational change (see, for example, Greenwood and Hinings, 1996; Hoffman, 1999); and, enhancing corporate sustainability development (see, for example, Bansal, 2005; Aguilera et al., 2007).

Her work has also been used, albeit less frequently, in the sports management literature (see, for example, Babiak and Wolfe, 2009; Wagner, 2010; 2011). Wagner (2010) in applying Oliver (1991) to a sporting situation, examined the anti-doping efforts undertaken since 1998 by the International Cycling Union (UCI) and noted that the strategy pursued by the UCI did not follow environmental expectations (acquiescence), but instead reflected a compromise strategy. As doping in the sport continued, the UCI changed their strategy to that of manipulation. The UCI, however, acted on a complex pattern of interdependencies (Wagner, 2010). Further, Wagner (2011) noted that Oliver’s (1991) responses may be applied to other governing bodies such as the Fe´de´ration Internationale de Football Association (FIFA) and the International Association of Athletics Federations (IAAF). Wagner (2011) concluded that these responses evolved over a period from avoidance towards manipulation.

The present study builds on Wagner (2010; 2011) by focusing on a sporting club’s strategic responses to a high-profile scandal, rather than on a governing body’s approach. Incentives, priorities and strategic considerations are likely to differ between a Club and the sport’s governing body. This study also contributes to the broader literature on business strategic responses to crises, by going beyond categorisation of organisations’ responses according to Oliver’s (1991) framework, and towards employing her hypotheses to explore potential relationships between strategic response and the external environment faced by the organisation.
4 Research Method and Sources

This paper uses a qualitative research approach to investigate the SS and the responses of the organisation. Numerous documents were examined including Club media releases, Club and league annual reports, and comments made by key Club officials. Books that were later authored by key Club personnel were also sourced and their narratives used where relevant.

The media and especially newspapers, provide a relevant source of data for qualitative researchers, and the narratives within them offer a rich and deep understanding of how issues impact people and society (Hahn, 2008). The use of the media in business related research is justified and supported by several researchers. Parker (1982), for instance, reported the validity of using financial media for reporting business events for mass communication purposes. Jeacle and Carter (2014) also noted that newspapers act as creative spaces whereby new ideas emerge and new agendas can flourish in interdisciplinary based research.

For the present study, media reports were sourced through the Press Display database, and newspapers were checked weekly in addition to when key announcements were made such as court or disciplinary hearings. Searches in Press Display focused on key words such as “Sports Scandal”, “Essendon”, “Drugs”, “ASADA”, “WADA”, “Australian Football” or “AFL”, and any combination of those together. The EFC website was sourced for gathering statements that were made to members. Books authored by key Club leaders were sourced from local libraries.

The EFC website was examined weekly and monitored by the investigators after key events ensuring that no major pronouncements were missed. The emphasis of analysis was on public comments relating to the SS from the EFC leaders (senior management and coaching staff), rather than opinion pieces from journalists. This reflects the primary focus of this study on the strategic approach to the SS as seen through the lens provided by the Club’s leadership. The direct quotes sourced through the above means, should negate any biases that may occur in the print media (Andon and Free, 2014). In sum, this data gathering process resulted in the collection of 366 newspaper articles relating to the scandal, six EFC Annual Reports and 25 media releases by the Club.

Within the Club leadership comments, themes were searched which were related to Oliver’s (1991) framework of strategic responses. While some key words/phrases were searched (such
as “cooperate” and “assist” (for acquiescence) and “incorrect decision”, “challenge” and defend” (for defiance), the phrases were examined in their entirety to fit into the five potential stages of organisational reactions to conformity. When a narrative was considered relevant, these were then coded based on their meaning in relation to the five stages. The patterns or themes that emerged from the data fitted neatly into the five potential stages of organisational reactions to conformity, being acquiescence, compromise, avoidance, defiance and manipulation. Statements or extracts examined that were deemed to be not relevant to any of these strategic responses were not included in our analysis. Each independent analysis was then compared by the two researchers to ensure that findings were captured consistently across the period of the study.

5. Results and Analysis

5.1 Research Question 1

To examine how the EFC responded to the SS during the period from 2013 to 2016, the analysis will chronologically follow Appendix One with a focus on key events and statements.

Early stages. When the EFC self-reported to ASADA, the initial responses conformed to Oliver’s acquiescence approach. The Club’s Chairman noted:

> Over the last 48 hours, the Essendon Football Club has received information about supplements that have been given to our players as part of the fitness program in 2012. Given the information we received and the questions it has raised, we have taken the following action: Firstly we, consulted with our staff, briefed our Board and all our players. Secondly, we contacted the AFL … to seek advice. Following that discussion we requested that the AFL commence an immediate investigation. Thirdly, today the Essendon Football Club contacted ASADA, the Australian Sports Anti-Doping Authority and requested their assistance in an investigation, and we offered the full cooperation of everyone at the club. … We want this investigation to go where it will, and our club at every level will cooperate (The Roar, 2013).

In terms of acquiescence, the conformity that the EFC showed would best serve the organisational interests through what Oliver (1991) termed “compliance”. At this point, however, there appeared to be parties within the Club, especially its coach, who appeared to adopt a more defiant or active form of resistance (Oliver, 1991):

> We want to get this investigation started. We want to get it done. We want to come out with a clean bill of health. We want to move on with the footy season. The supplements our players were given, in my opinion and my knowledge, were all approved and within the regulations (Age, 2013a).
The Coach’s sentiments were echoed by the senior assistant, who in his autobiography, described the program as follows: “Perhaps it was unethical, but I haven’t seen anything that breaks the WADA code” (Thompson, 2016, p. 281).

Switkowski Report. The EFC took a somewhat proactive stance in addressing the crisis while they awaited the outcome of the joint AFL – ASADA investigation, again suggesting an acquiescence response. In the same month as the SS broke in the media, the Club announced a review into governance, conducted by a former CEO of a major Australian telecommunications company (27 February 2013). The report was partially released to the public on 23 May 2013 (Switkowski, 2013), and concluded that the Club’s sports science program was “pharmacologically experimental” (Essendon Football Club, 2013a). Signs of Club defiance also emerge in the comments by Switkowski (2013).

… The leaders of the program insist their methods were always legal and compliant, and that conviction prevailed and still prevails within the football department. But a number of management processes normally associated with good governance failed during this period, and as a result, suspicions and concerns have arisen about the EFC. In particular, the rapid diversification into exotic supplements, sharp increase in frequency of injections, the shift to treatment offsite in alternative medicine clinics, emergence of unfamiliar suppliers, marginalization of traditional medical staff etc combine to create a disturbing picture of a pharmacologically experimental environment never adequately controlled or challenged or documented within the Club in the period under review. Compliance rules existed but normal controls during an abnormal period were insufficient to check the behaviours of some people who may have contravened accepted procedures, and the CEO and the board were not informed.

On the back of this finding, the EFC’s CEO, soon resigned.

We now know a lot happened at this club in 2012 that just should not have happened. We let down our players and their families. How seriously we let them down is still a matter under investigation but I sit here today saying that our club let those people down and there is no excuse in not knowing. And as CEO I am accountable and I accept that accountability (Essendon Football Club, 2013b)

Later in the year, the EFC Chair, also resigned (ABC, 2013a).

The EFC and the Club resignations further suggest a strategy of acquiescence. This approach demonstrated that individual and collective accountability was being taken for the SS (Oliver, 1991). Oliver (1991) argued that firms faced with a severe crisis together with a hostile external environment such as adverse and extensive media coverage, rarely succeed through avoidance,
defiance or manipulation. Based on Oliver’s (1991) theoretical framework, the approach taken by the EFC at this point was optimal in navigating through a difficult situation.

As previously noted however, not all senior officials at the EFC seemed to agree with this acquiescent approach. The Assistant Coach maintained that the EFC’s approach was “too passive” (Thompson, 2016, p. 287) and that “something was wrong with the way the Club was handling the situation, that it was not defending the staff or talking to us” (Thompson, 2016, p. 284). He contended that this reflected the advice of a consultant hired by the Club to advise on handling of the crisis: “her strategy was that Essendon should roll over. It was all about the look” (p. 284) – again reinforcing Oliver’s acquiescence approach.

Appointment of new Chairman; release of the ASADA Interim Report; AFL laying charges.

A new Chair (Paul Little) was appointed on 27 July, and this was closely followed by the ASADA interim report on 2 August 2013. These moves saw the strategy of the EFC change dramatically. The EFC quickly reverted to active resistance through defiance. This is acknowledged by the then Assistant Coach who said, “Little had a problem with the Club’s passive stance, thinking we had been too compliant previously” and “I knew he would do that [fight the charges and defend the staff]” (Thompson, 2016, p. 288).

The ASADA Report was made available to the Club and the AFL, but not publicly released. A list of alleged failings by the EFC was announced by the AFL on 21 August 2013 including that the Club had:

- engaged in practices that exposed players to significant risks to their health and safety as well as the risk of using substances that were prohibited by the AFL Anti-Doping Code and the World Anti-Doping Code;
- failed to devise or implement any adequate system or process to ensure that all substances provided to and used by players were safe and were compliant with the AFL Anti-Doping Code and the World Anti-Doping Code;
- failed to adequately monitor and record the use of substances; and,
- created or permitted a culture at the club that legitimised and encouraged the frequent, uninformed and unregulated use of the injection of supplements (AFL, 2013).

Within Oliver’s (1991) defiance strategy, the leadership of the EFC now began to employ tactics of ‘challenge and attack’ to rebut the allegations, and to seek to render investigations into the saga as illegal. Defiance and active resistance tactics included taking legal action, together with defiant rhetoric (Oliver, 1991). The resistance strategy is shown in the more aggressive comments from its new Chair through the Club:
Essendon takes these matters very seriously. They are based on assertions contained in an interim report from ASADA and will be vigorously defended. We have maintained that no player has taken a performance enhancing substance and that there was no breach of the AFL’s anti-doping code. We stand by this (Essendon Football Club, 2013c).

The coach also via the Club’s statements maintained his resistance strategy, and attack:

None of our players has shown they've taken performance enhancing drugs; none of our players has shown that they've been harmed by anything that's been given. ... We're all sitting back staggered and shocked that any charges could possibly be laid on those points. Our football club is the greatest football club in Australia and we're going to protect its name (Essendon Football Club 2013d).

Both the Chair and coach also began to challenge the governing AFL and dismiss their institutional rules, again demonstrating defiance (Oliver, 1991). The EFC challenged and contested the SS by employing what Oliver would describe as a challenge to the collective rule of their institutional environment:

Justified by the evidence gathered during the investigation, the AFL makes assertions that are simply not supported by the evidence. ... The AFL is determined to punish Essendon as though they were drug cheats. ... However, we maintain our belief that no player was administered either harmful or prohibited substances and assert there is insufficient evidence upon which any such allegation should have been made (quote by the Chairman in ABC, 2013b).

and

The announcement-by-ambush confirms the AFL is running an agenda which continues to call into questions its impartiality. My position is the same today as it was yesterday and in previous weeks. That is, I will contest the charges (quote by the Coach in Essendon Football Club, 2013f).

In late August 2013, the AFL announced a range of penalties had been agreed to by the EFC and its senior employeesiv. At this point, some level of contrition briefly returns to the public statements issued by the leadership. The EFC moves back to the initial acquiescence strategy by accepting the penalties (Oliver, 1991) with the Chair stating:

We recognise that failings occurred at our Club during this period. We must – and do – accept accountability and apologise for them. We have learnt from our mistakes and made substantial reforms to our governance and people management practices to ensure the Club will never be in this position again. The Club also accepts the penalties imposed by the AFL and welcomes that this matter has been brought to a close for the Club and the three individuals (Essendon Football Club, 2013g).
ASADA gives ‘show cause’ notices to EFC Players. In June 2014, ASADA issued formal allegations of possible anti-doping rule violations to 34 current and former players from the EFC. ‘Show cause’ notices were issued under the ASADA Act, and related to the use of a prohibited substance.

The EFC reverted to an aggressive response and commenced a Federal Court Case questioning the AFL-ASADA joint investigation process. Strong statements followed, and reinforced the attack by the EFC – the highest form of defiance according to Oliver (1991):

[T]oday we filed an application in the Federal Court of Australia challenging the legality of the AFL-ASADA joint investigation process and all that now flows from it. The club will contend that the joint investigation was unlawful and ASADA acted ultra-vires and exceeded powers under its statute. There is no power or capacity under the ASADA Act to conduct a joint investigation and there never was. … Enough is enough, we will not be bullied and we will not allow out players to be hung out any longer, they have suffered enough (quote from Chair in ABC 2014a).

The Federal Court case was heard in mid-August and on 19 September 2014 it dismissed the EFC allegations finding all parts of the joint AFL/ASADA investigation to be lawful. The EFC decided not to appeal this finding, the Chair stating “We are of the strong belief that there is no appeal”, and “It is now the time to accept the Federal Court decision and move on.” (ABC, 2014b). The Coach however, undertook his own appeal, and continued with his attacking approach:

I have today lodged an appeal with the Federal Court against the decision of Justice Middleton in Hird v ASADA. … The challenge to the lawfulness of the joint investigation was and is an important step in showing that the Essendon Football Club, its players and staff were submitted to a compromised investigation and were treated unfairly. If we don’t appeal our players may be stained forever by the innuendo, misconceptions and falsities that resulted from an investigation that we believe was conducted unlawfully. … The short term simple approach would be to acquiesce and plead guilty to ASADA even though the players, the club and myself do not believe we have breached the rules. It would be a lie as we would be pleading out of the proceedings when I, my lawyers and the Essendon Football Club lawyers firmly believe that the investigation was conducted unlawfully and an appeal will be successful. (ABC, 2014a; b)

In late January 2015, the Coach lost his appeal and was ordered to pay ASADA’s legal costs. He reserved his right to appeal to the High Court but later decided not to act upon it. His defiant stance was maintained:
We feel now that every Australian athlete or at least our 34 players and our support staff probably have less rights than the average Australian citizen. … This is not about suppressing evidence, it’s not about trying to get the players off on a technicality, it's about trying to get the players a fair system. (Cherny, 2015).

_AFL Anti-Doping Tribunal._ In March 2015, the tribunal established by the AFL to examine the allegations against the EFC players announces that they are not guilty of using a banned supplement. The Coach paid tribute to the players, and while there is some degree of acquiescence present in apologising for past actions, his comments reflect elements of defiance in emphasising the players’ innocence:

> Your ability to want to stay together and prove your innocence shows what character you have. I am very proud to be your Coach and I believe we can have a great football team very shortly and be part of something very special. I love the Essendon Football Club, it’s been part of my life since I was born, part of my father’s life, part of my grandfather’s life. I am so sorry for anything that has been done wrong to our players and our football club. (Essendon Football Club, 2015).

In May 2015, however WADA announced that it would appeal the AFL Tribunal’s ‘not guilty’ decision to the CAS.

_More resignations._ In August 2015, the Coach announced his immediate resignation citing a need for all at the Club to be able to move on from the SS. His comments reflect his original defiance stance, although somewhat tempered.

> It was the board's opinion that the football club would never be free of the ASADA scandals while Paul [former Chair] and I were here. I've always cared deeply about the players. I truly thank you with all my heart. By making the decision to stand down I do hope the AFL industry will give the players the chance to play freely (ABC, 2015).

Thompson (2016) observed about this period that “Hirdy had some bitterness towards the Board, and the feeling was mutual … They had fallen out of love to some extent” (p. 307). He also noted that the EFC was “drowning” at the time, and his resignation was to act as a “circuit-breaker” (p. 310).

In December of 2015, the Coach’s resignation was followed by that of the Chair. The departures of a defiant coach and aggressive Chair seemed to reflect a decision by the Club for the need to move on and rebuild. Such actions would accord with Oliver (1991) in responding in a decisive manner to such a controversy. While the Coach and Chair acted as spokespersons for the Club, these resignations were a form of compliance to act in the organisation’s interests.
CAS Decision. In January 2016, the CAS ruled in WADA’s favour and reversed the ‘not-guilty’ verdict of the AFL Tribunal. Based on this ruling, the players were suspended for two years. The new President’s comments reflected elements of defiance in arguing that the decision was flawed yet in accepting the verdict without further legal avenues being pursued, the EFC had reverted to its acquiescence strategy adopted at the start of the scandal:

Today’s finding is incredibly disappointing for everyone concerned at the Essendon Football Club. This finding is heart-breaking for our players, who will struggle to understand how two tribunals could come to such different conclusions based on the same evidence. We felt that the comprehensive verdict of the Anti-Doping Tribunal last year was the correct one. Notwithstanding that, we acknowledge the authority of the Court of Arbitration for Sport and we must accept its decision. … The Supplements Program of 2012 was a mistake of the highest magnitude. That said, the penalty imposed on the 34 players is manifestly unfair. … This suspension comes on top of three seasons of extreme duress for these young men. This is their livelihoods, their careers. … The Essendon Football Club again apologises to our players for failing them in 2012. … The Club also apologises to the players’ families, who have shared their journey over the past three years. To our members, our partners and our supporters we also apologise. … We cannot undo the past, only learn from it. (Essendon Football Club, 2016).

In sum, our findings from the SS indicate in terms of Oliver’s (1991) model that the EFC initially employed an acquiescence strategy. However, when management at the Club changed they leapt to a defiance strategy to avoid severe penalties and adverse outcomes.

5.2 Research Question 2

This question asks: “Using Oliver’s (1991) framework, what factors, might explain the responses employed by the EFC to the SS?

Oliver (1991) proposed that the five forms of organisational reaction could be applied to predict the likelihood of organisational resistance. Oliver’s predictions focus on several dimensions including institutional pressures, discretionary constraints, legal coercion, the level of uncertainty in the environment faced by the organisation, and economic gain/loss.

Starting with institutional pressures, Oliver (1991) argued that an organisation was less likely to resist these pressures where conformity was likely to restore social legitimacy. The response of the EFC contrasted with this contention. The EFC could have gained substantially in terms of repairing its social legitimacy by conformity to prevailing rulings and outcomes, yet it
instead chose to resist. For example, the Club adopted a defiant approach that entailed challenging and attacking the allegations of ASADA and the AFL, and sought to render the joint investigation as illegal. Yet at the time when the EFC sought to attack the investigation, its reputational capital and legitimacy in the eyes of stakeholders such as the AFL, the general public and many of its supporters could not have been much lower. Being a sporting club with a strong community charter there was a pressing need for it to restore its social legitimacy in the wake of the damming findings of the Interim Report. Accordingly, its approach should have been to acquiesce by accepting the findings. Perhaps the reason for this resistance is reflected in Oliver’s (1991, p. 162) observation that “the choice between acquiescence and more resistant strategies will depend on the degree to which the organization agrees with and values the intentions or objectives that institutional constituents are attempting to achieve in pressuring the organization to be more socially or economically accountable.” This approach ultimately proved to be totally ineffective and only resulted in prolonging the saga without any discernible improvement in the EFC’s situation or standing.

Turning to discretionary constraints, Oliver (1991, p. 166) argued that “as anticipated constraints on an organization's autonomy increase to high levels, those institutional constraints may be challenged or attacked”. The EFC was subject to high degrees of discretionary constraints as acceptance of the report findings would mean significant penalties for the Club and its players and its options, apart from legal action, were minimal. Faced with the prospect of large fines, possible suspension of players from playing in future games and removal of draft picks in the upcoming national player draft, the EFC chose to resist. This approach therefore accords with what Oliver (1991) predicted.

Turning to legal coercion, Oliver (1991, p. 168) argued that “acquiescence best serves the organization's interests when legal coercion is high, that is, when the consequences of nonconformity are highly punitive and strictly enforced”. The EFC faced a legally coercive environment. Sports doping is heavily policed and regulated globally. Moreover, the AFL Commission possesses strong powers to sanction clubs for breaches of competition rules which include doping. Yet the EFC chose to adopt a defiant stance in the face of the potentially heavy sanctions against it and its players. Accordingly, the response of the EFC was not consistent with what Oliver (1991) predicted would be an appropriate strategy.

Finally, the EFC faced an uncertain environment (both on and off the field of play) because of the potential penalties. Potential loss of players and draft picks meant that future on-field
performance would most likely be substantially impacted resulting in adverse flow-on effects to Club revenues/profits. Oliver (1991) defined environmental uncertainty as the degree to which future states of the world cannot be anticipated and accurately predicted. She predicted that acquiescence and compromise will be most likely to occur when environmental uncertainty is high. Yet, evidence of active resistance in the EFC case appears to contrast with what was seen to be the best approach in these circumstances.

Institutional theory argues that aspects of formal organisational structure and policies flow from prevailing attitudes towards what constitutes legitimate practice to powerful constituents (DiMaggio and Powell, 1983; Scott, 1987). Resource-based theories suggest that, “in general, organizations will tend to be influenced by those who control the resources they require” and that “the focal organization [must be] capable of developing actions or outcomes that will satisfy the external demands… [and] desires to survive” (Pfeffer and Salancik, 1978, p. 44). Consistent with the above, it was the wish for survival that motivated the EFC to ultimately employ a strategy of acceptance of the CAS judgment and compromise after a strategy of active resistance had been seen to have failed. This decision thus ensured the survival of the Club; albeit with the lingering stigma of the drugs scandal and associated penalties.

5.3 Research Question 3

This question asks: “What was the impact of the SS on the EFC across the period 2013 to 2016”?

Oliver (1991) argued that where the economic impact of a scandal was likely to be significant, then resistance to the institutional pressures was likely to be minimal. Table 1 describes the impact of the SS on the EFC’s performance, on and off the field, during the study period.

Insert Table 1 about here

Table 1 shows the SS had a major adverse impact on several key criteria including team performance, revenue, profits, members’ funds, and expenses. In terms of team performance, the Club began the 2013 season well and before the release of the Switkowski Report (May 6, 2013), it was placed at the top of the competition. However, from that point the team’s performance began to falter. By the time of the ASADA "interim report", two-thirds of the season was complete, and the Club had fallen to 7th. The subsequent penalties imposed by the AFL meant the club was suspended from the finals and finished 9th. In 2014, the Club returned
to the play-offs but by the end of 2015 the year in which the coach resigned, it had finished
15th. The Club finished last (18th) in the competition in 2016, as the effects of the player
suspensions hurt the Club’s on-field competitiveness.

The decline in the EFC’s on-field performance together with the adverse publicity from the SS,
significantly impacted the Club’s profits. In 2012, for example, the Club reported a profit of
$12,345,536 (the AFL’s highest), however by 2016 a loss of over $9 million was recorded. As
Table 1 shows, profits decreased each year during the SS except for 2015. Similarly, total
revenues decreased in each of the four years, and by a total of 18% from 2012 to 2016.
Revenues were largely made up from receipts from members, sponsors, supporters and other
operations, and these decreased from approximately $65 million in 2012 to $54 million in 2016.
Memberships have been an important source of revenue for all football clubs since they were
established, and Essendon has always had a traditionally strong membership base (Halabi et
al., 2016). Table 1 shows that even though the SS negatively affected performance,
memberships increased by 21% from 2012 to 2016. This may reflect strong devotion to the
Club by its large body of loyal supporters, which is a feature of Australian football where
support is considered to be “tribal” in nature (Smith and Westerbeek, 2004). Further analysis
of individual revenue items from the EFC annual reports, revealed that “Sponsorship”
increased in 2013 and 2014, then fell substantially in 2016. Merchandise sales steadily
decreased over the four-year period, and there was a significant fall in match-day receipts
reflecting the teams declining on-field performance. In fact, the EFC’s five lowest attended
matches since 1997 occurred during the 2015 and 2016 seasons (AFL, 2016).

Contributing to the decline in profits and financial performance were the ASADA legal costs,
which totalled over $10 million for the reporting period. The Club Finance Director noted that
these “very significant one-off costs (put) pressure on our revenues” (Essendon Football Club
Annual Report, 2015, p. 5). Decreasing revenues and increases in costs also led to a
deterioration in Members’ Funds as reported in the Club’s Balance Sheet. In 2012, members’
funds were the highest in the league at $35 million, yet by 2016 these had declined
approximately 20% to $27.5 million.

Insert Table 2 about here
The deterioration in the EFC’s financial position is also reflected in Table 2. The Club’s Return on Assets declined dramatically from 29% in 2012 to -21% in 2016. Its financial leverage as measured by Members’ Funds to Total Assets decreased steadily from 83% to 57%. This decline in the Club’s financial situation was further highlighted by both the Chair and CEO respectively in the 2016 EFC Annual Report:

The events of the past few years have been very serious for Essendon Football Club, our members and particularly for the players involved. The effects will be with us for some time. The recovery process is by no means over, our financial position is testament to that.

And

Our financial result this year demonstrates the significant challenges we have faced as a direct result of the January 12 CAS decision.

The strategy of defiance employed by the EFC had a significant adverse financial impact on the Club. This strategy was in contrast with what Oliver (1991) would have seen as being an appropriate strategy given this financial vulnerability. The EFC could have potentially minimised the significant economic damage by early acceptance of the AFL rulings resulting in a quick resolution of the SS and consequent adverse publicity. In choosing to resist, they prolonged the crisis and exacerbated the economic impact.

6. Conclusion

This case of the SS builds upon prior research into strategic responses to crises in sports by applying Oliver’s (1991) model. This model, while used in business scandals previously, has rarely been applied in the sports management literature apart from Wagner (2010; 2011) who used it the context of how a sporting governing body handles a crisis as opposed to a club under scrutiny. Three research questions framed this study. The first of these examined the extent to which Oliver’s (1991) model explains the actions of the EFC in dealing with the SS. Our findings indicate that the EFC commenced with an acquiescence strategy but that this evolved into a defiance strategy involving strong rhetoric together with legal action against the investigating bodies. The EFC initially welcomed the joint AFL-ASADA investigation yet within a year it was challenging the legality of this process in the Federal Court. The catalyst for this more aggressive and confrontational stance was the selection of a new Chair, described as a noted tough negotiator and businessman (Hawthorne and Williams, 2013). Our analysis of Essendon’s public pronouncements shows a notable hardening in the Club’s stance following his appointment. This hard-line approach was embraced by the Coach, who as reported earlier,
stated that to “acquiesce” would be unjust as it would mean the players pleading guilty to an
offence that he did not believe that they had committed (ABC, 2014a; b). Oliver (1991) argued
that when an organisation faces a hostile, external environment in a high-profile scandal then
an acquiescence approach is desirable. The combative stance of the EFC ultimately proved to
be unsuccessful and resulted in adverse outcomes for the EFC, its stakeholders (supporters)
and players.

The second question asked: Using Oliver’s (1991) framework, what factors, might explain the
responses employed by the EFC to the SS? Factors from Oliver’s framework examined were
the degree of social legitimacy, discretionary constraints, legal coercion, environmental
uncertainty and economic impact. Findings for discretionary constraints were consistent with
what Oliver’s predicted i.e. as the EFC faced significant constraints on its activities from the
SS, those institutional constraints were challenged and attacked by its management. However,
the active resistance exhibited by the Club was not was consistent with what would have been
expected in situations reflecting high environmental uncertainty, potential for reducing
economic loss through acquiescence, legal coercion and a pressing need to restore its social
legitimacy. While the predictive elements of these dimensions did not always follow Oliver’s
(1991) predictions, rather than suggesting that Oliver’s (1991) dimensions are inaccurate, they
demonstrated that the strategic responses made by the EFC to the SS were entirely unsuitable
to the hostile environment that they faced.

Research question three asked: What was the impact of the SS on the EFC across the period
2013 to 2016? Findings indicate that the SS had a significant negative impact on team
performance, memberships, revenue and profit. The EFC’s defiance strategy lengthened the
scandal and exacerbated the adverse financial consequences flowing from it.

Findings from this study have interesting implications for the sports management and image
restoration literature. Wilson et. al. (2010) argued that when a scandal occurs the athletes are
likely to incur most of the damage rather than the sports organisation itself. In the case of the
EFC, the damage sustained by the organisation was significant and lasting where measured in
financial terms or in on-field performance. Hwang and Chung (2018) found that in an
experiment involving students’ perceptions of an athlete’s doping scandal there was no
significant differences in the effects of different strategies on their views. The present study
showed that the aggressive strategic approach of the EFC in dealing with the SS certainly
impacted negatively on stakeholders’ views as measured by financial and other factors.
Coombes (2006) argued that in most scandal cases an organisation should immediately admit fault and accept responsibility. They should then take corrective actions and publicise these. Our findings support this contention as the EFC’s hostile approach caused it significant brand damage. The sub-optimal strategic responses of the EFC to the SS begs the questions as to why they failed to respond appropriately to the SS? While this is a difficult question to answer, public responses from the EFC clearly demonstrate a ‘win at all costs’ attitude (see, for example, the opening quotation of this study), and the zealous belief by management and coaching staff in their innocence. This self-righteous pride appeared to over-ride any pragmatic response that would have entailed earlier acceptance of their predicament and the sanctions imposed.

There is one major methodological limitation to this study. This study uses data drawn from the public domain, such as Annual Reports and disclosures by the EFC, together with investigations such as the Switskowski Report (2013) and the CAS Judgment (2016). Access to the transcripts of Board meetings of Directors and the management of the EFC was not possible. Moreover, given the high profile of this case, access to interviews of key people such as the CEO or Coach were not possible. However, the autobiography of a former Senior Assistant Coach at the EFC, provided the researchers with valuable insights into the prevailing mind-set of the Club at the time of the scandal (Thompson, 2016). Despite this limitation, strategic initiatives pertaining to this issue seem to be observable through analysis of their words and actions. Wagner (2011) also noted that specifically categorising Oliver’s (1991) approaches have their limitations since they assume that organisations primarily react to existing institutionalised patterns.

The findings from this study should also be considered in light of three major limitations relating to Oliver’s (1991) model and institutional theory, more generally. Firstly, measuring each of the five variables in Oliver’s (1991) predictive dimensions was challenging. The present researchers drew on their understanding of the institutional environment faced by the EFC in making this analysis. Second, as with most studies based on institutional theory, we examined the EFC at the organisational rather than the micro-level. As noted above, we did not have access to the inner sanctum of the Club during the crisis. Accordingly, we cannot determine with certainty the state of mind or characteristics of the individual Club leaders and management. We therefore relied on insights into this provided through interviews, statements and documents to draw our conclusions in this regard. Third, we have not specifically
examined, the ‘institutional logics’ in operation within the EFC. These are, the belief systems that predominate in an organisational field and shape the cognition and behaviour of actors. Club culture is a powerful influence over professional athletes and their management. Again, we can only draw inferences from statements made by these actors.

A possible avenue for further research using Oliver’s (1991) model could be to apply field study approaches such as interviews and survey questions. Obtaining access to key personnel, however, may prove to be challenging.

In conclusion, the SS ultimately has proven to be devastating to the reputation of the EFC, its players and coaching staff. The ASADA CEO perhaps best summarised the fallout:

This unfortunate episode has chronicled the most devastating self-inflicted injury by a sporting club in Australian history. There were very little grounds for the players to claim they were at no significant fault. The players had received anti-doping education through the AFL and ASADA, and were well aware that they are personally responsible for all substances that entered their body. Unfortunately, despite their education, they agreed to be injected with a number of substances they had little knowledge of, made no enquiries about the substance and kept the injections from their team doctor and ASADA. Of 30 ASADA testing missions during the period in question, none of the 18 players tested declared the injections, despite being asked each time whether they had taken any supplements. At best, the players did not ask the questions, or the people, they should have. At worst, they were complicit in a culture of secrecy and concealment. The CAS result brings this matter to a close and ASADA looks forward to continuing to work with all sporting codes to promote a clean and fair sporting environment (quote by McDevitt, in SBS 2016).
References


## Appendix One: Key Events in the EFC Supplements Scandal

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>27 February, 2013</td>
<td>EFC announces an independent review by Dr. Ziggy Switkowski into Club’s governance of the supplements program.</td>
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<tr>
<td>6 May, 2013</td>
<td>Switkowski Report partially released to the public.</td>
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<td>23 May, 2013</td>
<td>Ian Robson resigns as EFC CEO.</td>
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<tr>
<td>24 June, 2013</td>
<td>EFC Captain, Jobe Watson, states in a television interview that he believes that he was administered with the banned substance AOD-9604 during the 2012 season.</td>
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<tr>
<td>27 July, 2013</td>
<td>David Evans resigns as EFC Chair replaced by Paul Little.</td>
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<tr>
<td>2 August, 2013</td>
<td>ASADA releases its interim report into the EFC supplements program.</td>
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<td>13 August, 2013</td>
<td>The AFL charges the EFC, its Senior Coach (James Hird), its Club Doctor (Bruce Reid), its Senior Assistant Coach (Mark Thompson) and its Football Operations manager (Danny Corcoran) with ‘conduct likely to bring the game into disrepute’.</td>
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<tr>
<td>21 August, 2013</td>
<td>AFL issues a statement of alleged failings of the EFC including engaging employees in practices that exposed players to significant risks to their health and safety and failing to adequately monitor and record the use of substances.</td>
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<tr>
<td>22 August, 2013</td>
<td>EFC Coach, James Hird, lodges an action with the Supreme Court of Victoria arguing that he has been denied natural justice.</td>
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<tr>
<td>27 August, 2013</td>
<td>AFL announces a range of tough penalties have been agreed to by the EFC and its senior employees after two days of negotiations.</td>
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<tr>
<td>5 December, 2013</td>
<td>Newspaper reports emerge that EFC Coach, James Hird, is still being paid by the Club despite being banned from coaching.</td>
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<tr>
<td>13 June, 2014</td>
<td>ASADA issues ‘Show Cause’ Notices to 34 EFC Players from 2012 Season. These notices related to allegations of use of a prohibited substance during the 2012 season.</td>
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<tr>
<td>13 June, 2014</td>
<td>The EFC launches Federal Court Case against ASADA challenging the legality of the AFL – ASADA joint investigation process.</td>
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<tr>
<td>11-13 August, 2014</td>
<td>Federal Court Case is heard.</td>
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<td>Date</td>
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<tr>
<td>19 September, 2014</td>
<td><strong>Federal Court hands down judgment.</strong> Justice John Middleton throws out Essendon and James Hird's challenge. In a comprehensive ruling, Justice Middleton found all parts of the ASADA investigation lawful, including the provision of the interim report to the AFL.</td>
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<td>1 October, 2014</td>
<td>It is mistakenly reported by Fairfax Media that James Hird has been sacked after he defied the club by appealing the Federal Court ruling.</td>
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<tr>
<td>17 October, 2014</td>
<td>ASADA issues fresh show-cause notices to 34 current and former Essendon players. The club is given two weeks to fight the players being put on ASADA's register of findings but chooses not to respond.</td>
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<tr>
<td>10 November, 2014</td>
<td>Hird returns to court for his two-day appeal, where he argues Justice Middleton misread key elements of his case.</td>
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<tr>
<td>14 November, 2014</td>
<td>Thirty-four players are issued with infraction notices alleging the use of banned peptide Thymosin Beta 4.</td>
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<tr>
<td>15 December, 2014</td>
<td>Anti-doping tribunal hearing starts.</td>
</tr>
<tr>
<td>30 January, 2015</td>
<td>Hird loses his appeal in the Federal Court, with Justice Susan Kenny ordering him to pay ASADA's legal costs. Hird reserves his right to take the case to the High Court.</td>
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<tr>
<td>27 February, 2015</td>
<td>Hird decides against seeking special leave to appeal his case against ASADA to the High Court.</td>
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<tr>
<td>31 March 2015:</td>
<td>The AFL Anti-Doping Tribunal announces that all 34 past and present Essendon players are found not guilty of using a banned supplement.</td>
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<tr>
<td>20 April 2015:</td>
<td>ASADA announces that it will not appeal the AFL Anti-Doping Tribunal's ruling finding all 34 past and present Essendon players not guilty. The World Anti-Doping Agency (WADA) now has three weeks from 20 April to determine whether to appeal the tribunal's findings.</td>
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<tr>
<td>11 May 2015</td>
<td>WADA announces it will appeal the tribunal's not guilty decision to the Court of Arbitration for Sport (CAS).</td>
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<tr>
<td>6 August 2015</td>
<td>WADA publicly reveals in a submission to the Court of Arbitration for Sport that it has found ‘abnormally’ high amounts of Thymosin Beta 4 – the substance Essendon players are accused of taking – in the frozen urine samples of two players from Essendon's 2012 player list</td>
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<tr>
<td>18 August 2015</td>
<td>James Hird resigns as coach of the Essendon Football Club, believing that the club would not be able to move on from the supplements controversy while he was still the coach.</td>
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<td>26 August 2015</td>
<td>The Court of Arbitration for Sport announces the timeline for WADA’s appeal, with 16 November 2015 to be the date the hearing begins.</td>
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<tr>
<td>18 August 2015</td>
<td>James Hird announces his immediate resignation as Coach citing a need for all at the Club to be able to move on from the SS.</td>
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<tr>
<td>9 November 2015</td>
<td>Essendon fined $305,000 by Worksafe Victoria for breaches of the Occupational Health and Safety Act relating to the supplements program.</td>
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<tr>
<td>16 November 2015</td>
<td>WADA’s appeal of the AFL Anti-Doping Tribunal’s not guilty decision begins being heard at the Court of Arbitration for Sport in Sydney. A final decision on the matter is not expected for ‘several months’.</td>
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<tr>
<td>15 December 2015</td>
<td>Essendon Football Club Chair Paul Little resigns, replaced by Mr. Lindsay Tanner.</td>
</tr>
<tr>
<td>12 January 2016</td>
<td>The CAS find in WADA’s favour and overturn the not-guilty verdict. On the basis of this ruling, 34 Essendon players are suspended for two years backdated to 31 March 2015; including time served in provisional suspensions during the 2014/15 offseason. This effectively means that all 34 will miss the entire 2016 season (commencing in March) with the suspensions for most to end in November 2016.</td>
</tr>
<tr>
<td>10 February 2016</td>
<td>An appeal against the CAS judgment is lodged by the AFL Players’ Association (not the EFC) with the Swiss Federal Tribunal on behalf of the EFC players.</td>
</tr>
<tr>
<td>11 October 2016</td>
<td>The AFL Players’ Association is advised that its appeal to the Swiss court of arbitration had failed.</td>
</tr>
</tbody>
</table>
Table 1: Key Financials of the Essendon Football Club 2012 - 2016

<table>
<thead>
<tr>
<th>Year</th>
<th>Profit $</th>
<th>% Change from Previous Year</th>
<th>Assets $</th>
<th>% Change from Previous Year</th>
<th>Members' Funds $</th>
<th>% Change from Previous Year</th>
<th>Revenue $</th>
<th>% Change from Previous Year</th>
<th>Asada Legal Costs $</th>
<th>Receipts from members, sponsors &amp; other operations $</th>
<th>% Change from Previous Year</th>
<th>Memb ership (Numbers)</th>
<th>Ladder position (18 teams)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>2,148,492</td>
<td>-82</td>
<td>54,758,536</td>
<td>29</td>
<td>37,693,811</td>
<td>7</td>
<td>63,690,189</td>
<td>-3</td>
<td>3,939,710</td>
<td>56,511,386</td>
<td>-14</td>
<td>56,407</td>
<td>9</td>
</tr>
<tr>
<td>2014</td>
<td>721,517</td>
<td>-66</td>
<td>53,207,638</td>
<td>-3</td>
<td>38,415,328</td>
<td>2</td>
<td>61,258,047</td>
<td>-4</td>
<td>1,071,438</td>
<td>59,015,276</td>
<td>4</td>
<td>60,716</td>
<td>7</td>
</tr>
<tr>
<td>2015</td>
<td>1,336,354</td>
<td>85</td>
<td>49,453,003</td>
<td>-8</td>
<td>37,278,974</td>
<td>-3</td>
<td>58,202,992</td>
<td>-5</td>
<td>460,618</td>
<td>56,868,940</td>
<td>-4</td>
<td>60,819</td>
<td>15</td>
</tr>
</tbody>
</table>

Sources: Essendon Football Club Annual Reports 2012 to 2016 inclusive.
Table 2: Key Financial Ratios

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on Assets (Profit/Total Assets) (%)</td>
<td>29</td>
<td>4</td>
<td>1</td>
<td>3</td>
<td>-21</td>
</tr>
<tr>
<td>Leverage (Members’ Funds/Assets) (%)</td>
<td>83</td>
<td>69</td>
<td>72</td>
<td>75</td>
<td>57</td>
</tr>
</tbody>
</table>
In 2015, the EFC earned the third highest revenue of all clubs.

For a full overview of the legal history of the AFL, ASADA and WADA, see Gowthorp et al., (2016).

The EFC claim they were shown a letter from WADA approving the use of AOD-9604 by its head of sports science (AFL, 2013).

Thompson (2016, p. 292) argued that this outcome came after a process of “negotiation” with the AFL and was “about how much guilt we would accept”.

It should be noted that on 10 February 2016, an appeal by the AFL Players’ Association (not the EFC) on behalf of the EFC players was lodged with the Swiss Federal Tribunal. This appeal was subsequently rejected in October 2016.