6

STAKEHOLDER MANAGEMENT FOR SPORT ORGANISATIONS

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Overview

In this chapter, I explore the framework I developed in my paper titled ‘Evolution and issue patterns for major-sport-event organizing committees and their stakeholders’, published in the Journal of Sport Management (Parent, 2008). The purpose of the article was ‘to develop a framework of how an organizing committee operationally evolves over time and the types of issues with which it and its stakeholders must deal’ (p. 136). This study was part of my doctoral dissertation, in which I took an organisation theory perspective to understand the type of organisation (temporary, project, business, passion, adrenaline, etc.) an organising committee is, how it changes or evolves, who surrounds the organising committee, and what do they want/need.

To do so, I drew on stakeholder theory and issues management, sister theories under the corporate social responsibility (CSR) banner (Carroll, 1999; Wood, 1991). I also considered what literature was available in terms of organisational evolution and issues pertaining to sports events. These theoretical underpinnings helped guide methodology decisions and resulted in the empirically derived sport event organising committee and stakeholder framework, which answered the study’s purpose.

In the first part of this chapter, I discuss the theoretical basis of my study, followed by the final framework itself, boundary considerations and how I have applied the framework in subsequent research. I then move on to describing the process I used to derive the theoretical underpinnings and the final framework, as well as extensions and applications of that framework. I end the chapter with some future directions that I trust will benefit theory, research, practice and teaching.

Stakeholder theory

Stakeholder theory took form with Freeman’s (1984) book Strategic management: A stakeholder approach. He used strategic organisational planning, systems theory and organisation theory to build his argument for a stakeholder theory of the firm. Since then, thousands of articles and books have been published related to stakeholder theory (e.g., Donaldson and Preston, 1995; Mitchell, Agle and Wood, 1997; Parmar et al., 2010). Freeman (1984) described a stakeholder
as any group or person who can affect or who is affected by an organisation’s actions. Since then, researchers have argued that this definition of a stakeholder is too broad (e.g., Donaldson and Preston, 1995; Mitchell et al., 1997; Phillips, 2003; Post, Preston and Sachs, 2002). Nevertheless, as the sport event literature had not determined who the sport event stakeholder groups were, I followed Freeman’s broad definition for my study.

Stakeholder theorists are interested in a given (focal) organisation, its stakeholders, as well as the relationship between the focal organisation and its stakeholders, examining both process and outcome. The key is the focal organisation–stakeholder relationship. As Post et al. (2002) noted, ‘The stakeholder view of the corporation recognises these reciprocal interdependencies, which constitute the stakeholder network of each firm’ (p. 255). Stakeholder theorists focus on managerial decision-making and strategies to meet stakeholder needs (Jones and Wicks, 1999). Donaldson and Preston (1995) suggest that there are three ways to use stakeholder theory:

1. **Empirical/descriptive approach**: describing the nature and type of organisation, how board members consider the interests of stakeholders, how managers understand managing, and how organisations are truly managed;
2. **Instrumental approach**: identifying factors associated with stakeholder management that lead to organisational success (usually traditionally defined as profit and corporate social performance or CSP); and
3. **Normative approach**: examining and providing the moral/philosophical guidelines associated with the management/operation of the focal organisation, as well as analysing the functions of an organisation.

While strategic management researchers may use stakeholder theory’s instrumentalist approach, some argue that the descriptive and normative core are the key to stakeholder theory (e.g., Donaldson and Preston, 1995; Rowley, 1998), especially with the debate surrounding the impact of stakeholder management on CSP (see Clarkson, 1995; Gerde, 2000; Orlitzky and Swanson, 2012; Rowley and Berman, 2000). As I was beginning to explore the world of sport event organising committees, the empirical/descriptive approach seemed most appropriate. Clarkson (1995) suggested that the key generic stakeholders include the company itself, its employees, customers, shareholders and suppliers. However, these did not necessarily fit with what I understood the world of sport event stakeholders to be – organising committees are an entirely different beast from the for-profit organisations usually scrutinised in stakeholder theory and management research. Thus, finding out who the stakeholders were and what they wanted would become an essential starting point. I knew from the literature that stakeholder groups have different needs and wants, both between these groups and within a given stakeholder group – what is termed stakeholder heterogeneity (see Wolfe and Putler, 2002). Reichart (2003) suggested that stakeholders have a combination of the following interests: affiliative, informational, material, political and symbolic. These would be used as part of the theoretical underpinnings to understand sport event stakeholder needs and wants. It is noteworthy that when Freeman and colleagues (2010) reviewed and updated the thinking on stakeholder theory, they argued that stakeholder theory was about creating value for all stakeholders of an organisation.

**Issues management**

Along with stakeholder management and crisis management, issues management is seen as a proactive managerial activity where managerial involvement is high (Ooms and van den Bosch, 1999). Wartick and Mahon (1994) defined a corporate issue as:
(a) a controversial inconsistency based on one or more expectational gaps, (b) involving management perceptions of changing legitimacy and other stakeholder perceptions of changing cost/benefit positions, (c) that occur within or between views of what is and/or what ought to be corporate performance or stakeholder perceptions of corporate performance, and (d) imply an actual or anticipated resolution that creates significant, identifiable present or future impact on the organization.

(p. 306)

Of interest for my study was the concept of gaps. If stakeholders had different expectations from what the organising committee (or vice versa) was thinking, planning and/or undertaking in relation to one of their interests (see Reichart, 2003), an expectational gap occurred, which I would then be able to identify in the study as an issue.

The resulting framework

Stakeholder theory combined with issues management provided me with a lens to examine the world of an organising committee to (a) understand what an organising committee is (e.g., how it evolves from beginning to end and the types of issues or expectational gaps with which it must deal); and (b) to identify and characterise the stakeholders that surround the organising committee. These theoretical underpinnings guided my methodological choices (e.g., types of data to gather and initial guide for coding the qualitative data).

The resulting findings shaped the sport event management framework. More precisely, the results of the data analysis indicated there are three modes of operation for an organising committee: (a) planning (including bid and transition phases, business plan, operational plan and divisional plans), (b) implementation (including venuisation and Games-time) and (c) wrap-up (including decommissioning the venues, writing the final reports, closing the books and organisation, and managing the legacies). Throughout these modes, the organising committee deals with a number of issues, categorised as follows: politics, visibility, financial, organising, relationships, operations, sport, infrastructure, human resources, media, interdependence, participation and legacy. Taking the organising committee board of directors as the focal organisation, the stakeholder groups to be managed include: the volunteers and paid staff composing the organising committee, host governments, various levels of sports organisations, community (including residents, local businesses/sponsors, community groups and schools), media and delegations (athletes, mission staff). Finally, I found intra- and inter-stakeholder group heterogeneity regarding the types of issues and interests.

Boundary conditions

Following Whetten (1989), the boundaries of generalisability or range of a theory are the temporal (when) and contextual (who, where) factors forming the theory. The sport event management framework I developed must be understood as one that was advanced with events held before the explosion of new technologies (e.g., smartphones, Wi-Fi and social media). As well, it was developed based on non-mega sport event data, which has meant some extensions have been needed for mega events (see the ‘Extensions and applications’ section, below). Still, the stakeholder approach and resulting stakeholder map is general enough to be adaptable to other types of events (see next section).
Application of the framework in subsequent research

In effect, the framework I developed in Parent (2008) has become the starting point for most, if not all, of my research on sports events since then. For example, with Christopher Hautbois and Benoit Séguin (Hautbois, Parent and Séguin, 2012), we used stakeholder analysis (specifically the power-legitimacy-urgency framework developed by Mitchell et al., 1997) to see how the stakeholder network factored into the national bid process of an Olympic Winter Games. With Norwegian colleagues (Hanstad, Parent and Kristiansen, 2013; Parent, Kristiansen, Skille and Hanstad, 2015), I moved from examining dyadic stakeholder ties to the ties in the overall stakeholder network ties in the 2012 Winter Youth Olympic Games.

These studies have mainly used stakeholder theory’s empirical/descriptive approach. I have also used the two other approaches described by Donaldson and Preston (1995). From an instrumental perspective, the stakeholder theory approach to sports events and the organising committee modes have been used to examine decision-making (Parent, 2010), leadership (Parent, Beaupre and Séguin, 2009; Parent, Olver and Séguin, 2009), brand creation in one-off (Parent and Séguin, 2008) and recurring events (Parent, Eskerud and Hanstad, 2012), risk management (Leopkey and Parent, 2009a, 2009b), specific issues and strategies for a particular stakeholder group the governments bringing in the concept of multi-level governance (Parent, Rouillard and Leopkey, 2011) and organisational culture and member performance (Parent and MacIntosh, 2013). From a normative standpoint, the stakeholder approach has been used in relation to the Olympic Games Organizing Committee and International Olympic Committee CSR (Walker, Heere, Parent and Drane, 2010) as well as partners’ or sponsor CSR (Séguin, Parent and O’Reilly, 2010).

The process of developing the framework

My interest in sport event organising committees and stakeholders was spurred by my practical experience. During my master’s degree internship with the 2001 Games of la Francophonie (GF), I felt I did not know much about the area, as I had been in the field of sport management for less than eight months. I had undertaken a career and field change from physiology and biochemistry to sport management the previous fall. Prior to the change, I had had no course/theoretical knowledge in management, let alone sport management – though I had been a competitive figure skater, coach and volunteer, and so had the practical experience. Like a good student, I endeavoured to find some research and general information on who/what organising committees were to help me in my tasks at the 2001 GF. Yet, I could not find empirical papers (as opposed to to-do lists) on the topic, as odd as that seemed. I thought someone should do research on this, maybe even me, to ensure I would not repeat the same mistakes I made the first time around. This thought eventually led to my admission into a doctoral programme, and examination of these issues. A key concern in this Handbook is how theory in sport management is developed. There are a variety of ways this can be undertaken. I describe mine below.

Contribution of theory to the study of sport event management includes borrowing and adapting existing theories (cf., Doherty, 2013). So let’s start with borrowing. When I was exposed to stakeholder theory during a doctoral course in strategic management theories, I realised that I, as a 2001 GF manager, and the rest of the organising committee, had grouped clients (stakeholders) by category (e.g., athletes and media) in order to deal with them. So, when I learned about stakeholder theory, it seemed to be an appropriate theory to help explain how organising committees work. Stakeholder theory’s attractiveness resided in it, ironically, not being a fully formed theory. Rather, it is (a) an umbrella framework, for lack of a better word,
that allows for other concepts and theories to be included, or conceptual blending as Oswick, Fleming and Hanlon (2011) suggest; (b) practitioner-derived and constantly applied in the broader management field; and (c) general enough to be rather easily applied in a different/new context. As a framework it is ‘a set of ideas from which a number of theories can be derived’ (Parmar et al., 2010, p. 406). In terms of adapting a theory, further examination of stakeholder theory, its premises and origins, made me realise that to understand how the organising committee worked — an organisation that seems (on the outside) to plan the event (be proactive) and balance or respond to (be reactive) stakeholder needs, demands and situations — I needed to look for a way to add to stakeholder theory. This is where issues management came in (see also Friedman, Parent and Mason, 2004). By borrowing and adapting stakeholder theory and issues management, I was able to have a theoretical basis upon which to organise and analyse my data, such as identifying the stakeholders, grouping data/findings by stakeholders and identifying issues.

Next, contributions to theory also entail extending and generating (new) theory (Doherty, 2013). In my case, the research actually started with a simple, yet too broad question: how do organising committees work? My doctoral supervisor at the time, Professor Trevor Slack, and I both knew this was a large and very complex issue to study (cf., Cunningham, 2013), but neither of us knew where to start and what was feasible to do. So I took a very exploratory approach (akin to grounded theory, see Charmaz, 2006; Glaser and Strauss, 1967) by conducting a pilot study in 2002 on the 2001 GF; a retrospective case study that included a rather lengthy discussion on the topic with a former 2001 GF colleague, who had many sport events and festivals under his belt, as well as discussing ideas with other former 2001 GF colleagues through pilot interviews. These discussions focused my work for the ensuing retrospective and full case study of the 1999 Pan American Games. Key ideas were taking shape (i.e., generating new theory through empirical observations in the natural setting, see Doherty, 2013), including the concept of time (or lack thereof) being important in a potential sport event management framework, and multiple issues (including, in particular, image and identity management, see Parent and Foreman, 2007) and stakeholders to negotiate. During my studies, I was advised by a prominent researcher in management that, if I could illustrate in one image the various theories and concepts to be examined in my study, then I was on the right track. Figure 6.1, therefore, depicts the evolution from the research question to pilot study (2001 GF) to the actual research I undertook for the Parent (2008) study on the 1999 Pan American Games.

Going back to the baseline theories, I could see links between what stakeholder theorists examine (the focal organisation–stakeholder relationship) and the topics in which I was interested. Figure 6.2 was the result of linking the two ideas and the starting point for data collection related to the 1999 Pan American Games, which would lead to the empirically derived sport event management framework.

The ideas in the pilot study were explored and refined in the 1999 Games case. First, I looked at the temporal aspect; how organising committees evolve. By comparing the terms and explanations found in the data, I was able to come up with the three modes of organising committees. The second piece was figuring out how stakeholders should be grouped. Interviewees’ responses as to whom they dealt with were compared, which provided me with the aggregated stakeholder map found in the article (Parent, 2008). Admittedly, this was a rather descriptive approach, though one which was needed before being able to move to instrumental and normative aspects.

Using the issues management portion of the theoretical framework or more precisely the expectational gaps, helped me determine what an issue would be, so I was able to identify issues faced by organising committees and their stakeholders. A long list of initial issues was created, which I then aggregated into broader compatible issue categories.

Stakeholder management in sport
With the modes (the what and when), issues (also part of the what), and stakeholder map (the who), in addition to the theoretical underpinnings, I now had a working, empirically derived framework from which to further build theory in sport event management (cf., Whetten, 1989). For example, I was able to link the issue categories list to the modes of the organising committee, to the managerial level of organising committee members and to the stakeholders. So the study contributed to theory, for example, by demonstrating that perceived stakeholder salience depends on the manager (managerial level and the cognitive perception or map of his/her world), the issue and time. Essentially, I found that any stakeholder can be critical at one particular time for one particular issue.

Extensions and applications

Since 2008, the framework has evolved as we have learned more about event organising committees. For instance, sponsors have become a distinct category of stakeholders for larger sports events and new/social media has emerged. The workforce has been expanded to include other types of members, such as those who are seconded from their workplace and contract workers. An ‘Other Stakeholders’ category has been added to reflect the fact that many event organising committees will engage with non-traditional stakeholders, such as non-governmental organisations (e.g., United Nations) and consultant organisations. So, the updated list of

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Figure 6.1 Purpose, theory, pilot study and (proposed) research flow chart
stakeholders should read: the organising committee workforce, the host governments, the various
levels of sport organisations (including the event rights holder), the community, the media
(including internet and new/social media), sponsors, the delegations and other stakeholders
(see Parent and Smith-Swan, 2013).

Others have also applied parts of the framework in their research. Some researchers have
taken the stakeholder perspective to examine partnerships or bilateral relationships, as well as
by adopting a stakeholder approach to their study. For example, Heere et al. (2012) based the
premise of their study on bilateral relationships on a key idea of the Parent (2008) article that
effective stakeholder management is at the core of a successful sport event. In turn, Dowling,
Robinson and Washington (2013) have extended thoughts from my study, arguing that:

given the very cyclical nature of major sporting events, and congruent with the
mega-event decision-making literature (see for example, Parent, 2008, 2010), timing
and context matters, with sport being inherently more attractive in the lead up to mega-
events. This research shows that there may be better times than others for sport
organisations to seek CSR and partnership arrangements.

(p. 288, emphasis added)

Finally, Kihl, Leberman and Schull (2010) took a stakeholder approach to examine how
leadership is constructed in intercollegiate athletics.

More broadly, though, the use of stakeholder theory in sport management has blossomed
since 2008. For instance, in 2011 there was a special issue on stakeholders in European Sport
Management Quarterly (e.g., Russo and Vito, 2011; Xue and Mason, 2011). Interestingly, Esteve
and colleagues (2011), who set out to empirically examine ‘the impact of stakeholder relations
on the resources that a non-profit sports organization is able to attract’ (p. 424), found that:
the quality of relations between sports clubs and their external stakeholders relate positively to the financial and non-financial contributions of stakeholders. A club’s financial resources are also positively linked to the amount of time its Board of Directors is willing to invest.

(p. 423)

Clearly, the organising committee and stakeholder approach has been a useful one for research. However, it has also been useful in informing teaching and practice, at least for me. I organise my sport events and festivals class according to the three modes of organising committees. The modes, stakeholders and issues identified also formed the basis (the skeleton) for the Managing major sports events: Theory and practice book (Parent and Smith-Swan, 2013), which is used as a reference by a variety of practitioners, such as those at Sport Canada, as well as the International Olympic Committee.

Future directions

So what lies ahead for the framework? In terms of theoretical/empirical extensions of the sport event organising committees and stakeholders framework, it is important to move from dyadic ties to inter-stakeholder relationships; that is, the network of stakeholders (Rowley, 1997). For instance, which stakeholders are more important and why, across each mode? What is the impact on the network of the newly added stakeholders (e.g., new/social media, non-governmental organisations and security organisations)? It is also important to further examine the transition from bid to organising committee to foster organisational effectiveness and efficiency, but also the organising committee members’ transition from headquarters to the venues come event-time (for the same reasons). Transitions and change are difficult in any context; in this high-stress situation, it becomes even more critical to manage properly. In turn, continuing to examine the various issues/issue categories is important to show interrelationships and influences between issues. There is also a need to expand the type of event examined to smaller events and to recurring events, as these events are more likely to be hosted by more cities worldwide in their events portfolios. Due to the practical perspective of the sport event management framework, in that it is meant not only to help frame a study but also to inform event managers’ decisions, each of these future directions should be undertaken with both theory and practice rationales.

One final thought: it is not easy to develop theory properly, and there are multiple ways to do so. Following proper methodological procedures (e.g., Bacharach, 1989; Suddaby, 2006; Whetten, 1989) is critical. But just as important is to have people around you (e.g., doctoral supervisor, journal editors and book editors) who believe in what you do and want to publish it in order to truly advance the field.

Note

1 This chapter is a reflection on Parent (2008) and the work related to it.

References

Stakeholder management in sport


Applying stakeholder theory

Dag Vidar Hanstad

For the last decade, I have focused my research on anti-doping (Hanstad, Skill and Thurston, 2009), media (Kristiansen, Hanstad and Roberts, 2011), top-level sport (Andersen and Hanstad, 2010) and events (Hanstad, 2012). A common thread seen in these areas is that many individuals and organisations are involved. It has been a challenge to find a theoretical framework in order to provide a good analysis, particularly when it comes to power and influence among the different actors. Parent’s (2008) paper about organising committees and their stakeholders served as an analytical tool that gave me ideas and inspiration. Her article provided an expanded list of categories with details of the specific issues dealt with depending on the organising committee’s evolution, the stakeholders involved and the organising committee members’ hierarchical level and role.

I have applied this framework in varied ways. As one example, my colleagues and I utilised a stakeholder approach to examine the similarities and differences between the winter editions of the Youth Olympic Games (YOG) and Olympic Games (OG; Hanstad, Parent and Kristiansen, 2013). We revealed four main groupings of the YOG that differed in relative salience as compared with the OG: the host core stakeholders, international core stakeholders, sponsors and media, and parents and other stakeholders. Given that a multitude of stakeholders are required to host such events (Parent, 2008), using a stakeholder approach helped to organise and analyse the data, provide an overview of the YOG world, and thereby assist in developing an understanding of the YOG. While the basic list of stakeholders may be the same between the YOG and OG, the relative salience levels changed. OGs usually present the media and sponsors as primary, critical stakeholders; for the YOG, however, these two stakeholders were lower in salience, in favour of the parents who gained salience in part because of their legal responsibilities for their under-aged children and because they formed a significant portion of the tourists/spectators.

Further direction for research utilising stakeholder theory may include how the YOG is changing the relationship dynamics between the IOC and other stakeholders. Whereas prominent sponsors and media dominate the OG network of relationships by providing significant funding to the IOC and the Olympic Movement (e.g., through sponsorship deals and the purchase of host broadcasting rights), the relationship changes in the context of the YOG as the sponsors and media obtain additional visibility opportunities and broadcasting material/information, respectively, without having to pay for these benefits.

Note

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References


