

Risk Management Issues in Large-Scale Sporting Events: A Stakeholder Perspective

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The rapid increase of globalization, the resultant pressure on cities and countries to become players at the international level (Whitson & Macintosh, 1996), and the potential for high ROI (return on investment) from the many attributes associated with sport tourism (Green, Costa & Fitzgerald, 2003) has led to the increased popularity of events in recent years. At the same time, the importance of risk management in sporting events seems to be growing at a rapid rate due to a number of conflicts such as hooliganism, increased liability, and terrorism threats at popular venues (cf. Piccarello, 2005; Toohey, Taylor & Choong-ki, 2003; Weed, 2002). Although risk management is one research area covered in the sport event management literature to date, the majority of the research on risk and events has focused on fan and player aggression (cf. Kirker, Tenebaum & Mattson, 2000; Tenenbaum, Sacks, Miller, Golden & Doolin, 2000) and hooliganism (cf. Foer, 2004; Gardiner, 2000; Weed, 2002). Other areas that have been briefly explored include terrorism threats and spectator perceptions (Toohey et al., 2003) and roles of media and their interpretations of security measures (Atkinson & Young, 2002). No research has specifically explained the impact of risk management issues on the management of large-scale sporting events experienced by organizing committees and stakeholders, a critical omission given the 1972 Munich Olympic Games killings, the 1996 Atlanta Olympic Games explosion, the terrorist attacks associated with September 11, 2001, the US\$1.3 billion security budget for the 2004 Athens Olympic Games, and the rumoured terrorist attacks associated with Super Bowl XXXIX .

Sporting events attract some of the largest crowds in the world; yet how organizing committees deal with risk management issues, especially in this post September 11 world, has not been examined in depth. The gaps identified in the sport event management and risk management literatures show the need for more research in the area of organizing committees and stakeholders, as well as the implications of risk management on these two groups. The main research objective of the study is therefore to further explore the risk management issues for organizing committees and stakeholders of large-scale sporting events.

To help address this issue, it was worthwhile to look at Parent's (2005) combination of the event management literature with stakeholder theory (see Clarkson, 1995; Freeman, 1984; Mitchell et al., 1997), which provides a strong theoretical foundation and allows for the inclusion of existing literature on risk management. Stakeholder theory is concerned with exploring the linkages between the focal organization (the organizing committee) and their stakeholders (Freeman, 1984). Stakeholder theorists are not only responsible for understanding stakeholders' issues but also for determining strategies for responding to stakeholders' needs and actions (Freeman, 1984). "Stakeholders are persons or groups that have, or claim, ownership, rights, or interests in a corporation and its activities, past, present, or future" (Clarkson, 1995 p. 106).

Researchers have identified many possible stakeholders for a focal organization or organizing committee. Clarkson (1995) identified employees, shareholders, customers, suppliers, and the public as potential stakeholders for an organization. Ritchie (1984), during his research on mega-events, stated that the local populace, local government and local business are all key stakeholders in events. Potential stakeholders proposed by Emery (2001) included international and national governing bodies, organizing committees, media and sponsors.

"As sport is situated within global structures and processes it is, therefore, subject to the damaging effects of global events, such as 9/11, which also affected countless countries and other facets of the global society" (Toohey et al., 2003, p. 170). Large-scale sporting events have the potential to bring many positive benefits to the hosts and organizers but there are also always elements of risk associated with these public events (Chang & Singh, 1990). Sporting events are targets that may be prone to terrorist attacks and other risks because of the symbolic nature of the venues and events, the difficulty faced when securing the events because of the large masses of people involved, and the fact that they have been previously targeted around the world (Piccarello, 2005). Other contributing factors include sponsors who are participating in the event and the large amount of international media attention associated with the event (Atkinson & Young, 2002). It is for these reasons that event planning committees and event organizers must be diligent in their risk management and security efforts. By highlighting these negative impacts it will help policy makers and event organizers in developing proper risk management strategies that will help mitigate the potential for these occurrences.

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Risk management should not only be associated with violent activities as it also includes elements of financial risk associated with costs and revenues of the event, risk to property (i.e. venue and equipment), political risk, marketing and sponsorship and host/destination image (Chang & Singh, 1990). Although many of these topics are covered in popular press and textbooks (such as Appenzeller, 2005) there is a significant lack of research on these topics in the academic world.

In order to meet the objectives of this research, two case studies were used. A post-event evaluation of the 2006 World Figure Skating Championships and a pre-event evaluation of the FIFA U-20 World Cup Canada 2007. The case studies were developed using archival material including newspaper articles, organizing committee documents and web site information. A content analysis of interviews from selected organizing committee members and stakeholders was also conducted. Stakeholders interviewed included organizing committee members, security representatives, federal, provincial, municipal government representatives, host sport organizations, media, athletes, sponsors and community members.

Emerging themes from the archival analysis included risk, crisis or contingency planning; budgets with a breakdown of costs either projected or spent in terms of risk management or security, and a variety of other aspects relating to the strategic planning of the event (e.g., varying levels of security involvement). Of even greater importance are the themes that are surfacing in the interview data including differing risk management issues and strategies, ways stakeholders impact organizing committees and types of stakeholder needs and concerns, and elements of risk management or different focuses of risk management (e.g. volunteers, facilities, public).

It is clear that risk management spans multiple areas of event management and that there are varying levels of involvement from the many types of stakeholders involved in the event. It is therefore important for stakeholders to be cautious of and ask questions on risk management issues and strategies with regards to the organization of large-scale sporting events. Researchers should also ensure that they are not limiting their research and stakeholders not restricting their perspective of risk management to security and terrorism, but to include all aspects of risk and risk management into their understanding, planning and preparation of events.