Mapping the Sport Events Strategy Environment in Shanghai

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Abstract 2010-061
June 3, 2010 4:15 PM
25-minute oral presentation
(Cormorant)

In recent years, Shanghai has emerged as a major player in bidding for the hosting of international and other high-level sporting events. From 2001 to 2005, Shanghai hosted 143 international events, including the ATP Masters (tennis), and F1 Grand Prix auto race, along with 254 national-level games. According to “The Eleventh Five-Year Plan for Sport Development in Shanghai” (2007) Shanghai hopes to develop a reputation as a major events city. Thus, the city has put sport events firmly on its policy agenda. However, what is not known is how this strategy has been formulated, and who has been responsible for its implementation. In other words, what groups and individuals are driving the Shanghai government to set up the event strategy? With whom is Shanghai government interacting with to engage in the hosting of sport events in the city? This study seeks to examine the interests that have developed the sporting events strategy in Shanghai. To facilitate this, we adopt a descriptive model of stakeholder theory to understand these relationships amongst key parties in the city. In doing so, we use stakeholder theory to better explain the relationships in Shanghai sport events strategy context while exploring stakeholder theory in a novel setting.

More specifically, the current study incorporates the stakeholder framework developed by Mitchell, Agle, and Wood (1997) to create a sporting event policy map in Shanghai, through determining the relative importance of different groups by assessing their power, legitimacy, and urgency. In this model, a stakeholder can be identified through its possession of at least one of the three distinctive attributes mentioned above. After identifying the attributes possessed by the stakeholders, their relative importance can be determined (Mitchell et al., 1997). There are three general stakeholder categories – definitive stakeholders (possessing all three attributes), expectant stakeholders (possessing two attributes), and latent stakeholder (possessing one attribute). In turn, stakeholders can be identified by the combinations of specific attributes. Based on Mitchell et al.’s (1997) model, Friedman and Mason (2004) further developed operational definitions – stratifying three different levels including high, medium, and low degrees for each attribute, as each attribute possessed by stakeholders could have different relative levels, and would not simply be “present or absent” (Mitchell et al., 1997, p. 881). This study, accordingly, applies Mitchell et al.’s (1997) stakeholder mapping model while taking Friedman and Mason’s operational definitions into account, to describe the stakeholders involved in Shanghai sport event strategies and their importance. This is a similar approach to that taken by Friedman and Mason (2004), where they used a map developed for the stadium issue more generally.

To do so, this study maps the stakeholders primarily through general official policy documents regarding sport development in Shanghai, including: “Shanghai Municipal Party Committee and Municipal Government’s Decisions regarding Speeding up Shanghai Sports Development” (2002), “The Eleventh Five-Year Plan for Sports Development in Shanghai” (2007), and related sport documents and reports from Shanghai district governments, which were obtained through the websites of Shanghai Municipal Government, Shanghai Sports Bureau and district governments in Shanghai. Furthermore, secondary literature on sporting events and sport policies were collected to assist in articulating the stakeholder context surrounding the issue. They have been primarily written from the point of view of urban development in terms of economic, political, and social development, and in a North American context. After collecting the data, we follow several steps to do data assessment. First, an initial list of stakeholders was developed from the broad literature. Then, the sources were read and coded to identify the groups typically involved in the sport events strategies in order to develop a preliminary map for Shanghai. The codes were developed based on the three attribute definitions and their operational illustrations which have been discussed previously. In addition, examples indicating expressions of power, legitimacy and urgency were also identified. Third, using the codes, a matrix for each stakeholder was created, with one axis presenting the definition and the operational meaning of each attribute and the other axis showing how those levels were expressed, relating to the stakeholder. Appropriate statements were then gleaned from the source to fit into the matrix (Gratton & Jones, 2004).

To facilitate the assessment, we re-interpreted the operational definitions of three attributes—power, legitimacy, and urgency to fit with the Shanghai context, and gave representative examples below. In terms of the first attribute, power is limited to those groups who can affect the sport event strategy decisions in Shanghai. Stakeholders who
possess a high level of power have the ability to exert authority to affect the decisions related to hosting sport events (e.g. international sport federations determine the sport event hosting rights). Stakeholders who have the ability to influence the strategy formulation through using various resources – such as business interests capable of successfully lobbying politicians to bid for events – would be considered in possession of medium levels of power. Power is low in stakeholders that are ascribed symbolic positions while they neither have actual authority nor resources to influence the event strategy. An example would be community groups that have little authority in decision-making but are assumed to represent citizens’ voice. In terms of the second attribute, legitimacy is possessed by those stakeholders whose participation or claims are acknowledged from the perspective of Shanghai government sport policy makers. Stakeholders with high levels of legitimacy are accepted as integrally involved in the sport events, such as local business corporations authorised to manage the events. Stakeholders who possess medium levels of legitimacy are able to have their claims addressed during the process of or after the sport events, (such as foreign organizations set up companies in Shanghai after events). Stakeholders whose participations and claims are dismissed or unrecognized by some stakeholder, while at the same time recognized by other important stakeholders possess low levels of legitimacy. An example of this would be a sponsor who produces a controversial product whose sponsorship is valued by the host committee but deemed inappropriate by other stakeholders. In terms of the third attribute, stakeholders with a high degree of urgency take substantive actions by using various resources such as time, money, and leadership, such as companies contributing sponsorship to the events. Stakeholders with a medium degree of urgency usually take symbolic actions (for example, the local media frames the debate and generally promotes the positive economic impacts of sport events). Stakeholders have low urgency when they deliberately show indifference toward the issue through choosing not to be involved in the sport events, e.g. state government do not intervene in the sport events bidding and hosting process unless absolutely necessary.

The current study is ongoing; thus, we do not discuss our findings here yet. However, we feel that the study will have both theoretical and practical implications. We make a unique theoretical contribution in applying stakeholder theory, widely employed in western organizational contexts, to the case of China. Practically speaking, as Shanghai emerges as a major player in hosting international sport events, mapping stakeholders around its sport event strategy can further enhance our understanding of Shanghai’s sport policy environment which will be useful as stakeholder continue to engage the city vis-à-vis its events strategy.