An Issue-Focused Stakeholder Management Based on the Model of Multi-Stakeholder Network in Mega-Sport Events

Amy Kim, The Ohio State University
Packianathan Chelladurai (Advisor), The Ohio State University

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Over the last three decades, hosting mega-sport events have been popular due to political, cultural, and economic benefits. Thus it is not surprising that many cities compete to host mega-sport events like Summer Olympic Games, Winter Olympic Games, FIFA World Cup, Super Bowl and World Baseball Classic. In order to maximize the benefits of mega-sport events, organizing committees have attempted to identify, manage and satisfy various types of groups, organizations and other social entities—the so-called “stakeholders”.

Freeman (1984) defined a stakeholder as “any group or individual who can affect or is affected by the achievement of the firm’s objectives” (p. 46). Based on this definition, many management scholars have attempted to identify and categorize different types of stakeholders, examine the influences of these groups on the focal organization, and develop different strategies to satisfy these different stakeholders efficiently. However, these lines of research have focused on organization-stakeholder interface ignoring the structural relations and interactions among stakeholder groups. It has been suggested that issues arising out of organizational actions may bring together various stakeholder groups whose collective influence would be greater than when they act alone. Thus, successful handling of an issue is dependent on how well the stakeholder groups that cohere around the issue in question are managed. From this perspective, the scholars have explored how interactions among stakeholder groups evolve and change according to the kinds of issues and have developed strategies to manage interactions among these stakeholder networks (Friedman, 2004; Wartick & Heugens, 2003; Wood, 1991).

The number of stakeholder who get involved in an issue and the extent of the interactions among them will shape the issue itself and provide the impetus for their claims on the focal organization (Roloff, 2008). Hence, it is important that the focus should shift from dyadic relationships between individual stakeholders and a focal organization to a broadened view of a network of multiple interdependent stakeholder groups, and analyze the configuration among them using social network analysis (Rowley, 1997). In these multi-stakeholder networks, groups from business, government, and society come together to seek a common approach to an issue that impacts on all of them through effective interactions and collaborations. Social network analysis (SNA) facilitates the investigation of the structural patterns of relationships among stakeholders rather than the attributes of individual stakeholders. More specifically, SNA would highlight the extent to which certain structural positions affect the patterns of interactions or information exchange among stakeholders. Being aware of, and comprehending these patterns is critical for organizing committees to manage the issue-resolving processes while they satisfy all stakeholder groups. Organizing committees of mega-sport events need to be cognizant of the dynamically evolving issues in order to establish and maintain relationships with diverse partners or stakeholders to obtain resources efficiently.

In fact, Parent (2008) provided a framework of how organizing committees operationally evolve and which type of issues should be dealt with by involving committees and stakeholders. The author identified issue categories of stakeholders, issue categories of organizing committee members, and categories of external stakeholder interests by combining stakeholder theory with the aspect of issue management. Even though Parent identified different cliques of stakeholder groups according to different types of issues, she did not consider the structures and actual interactions among stakeholder groups. We can overcome those pitfalls effectively if we invoke social network analysis to the concept of issue-focused multi-stakeholder network.

Accordingly, this paper develops the model of multi-stakeholder networks in mega-sport events based on issue categories and stakeholder groups identified by Parent (2008). With the visualization of multi-stakeholder networks of mega-sport events, structural patterns of each stakeholder networks is described and explored. By utilizing social network analysis, the study analyzes and calculates the social network indicators in order to examine structural characteristics of each stakeholder groups in terms of controlling information and exchanging information. The
structural information is helpful for organizing committees to establish and develop the strategies for communication channels with stakeholders, for resolving certain issues effectively and ultimately, satisfying all stakeholder groups. The practical implications of the model of multi-stakeholder networks in mega-sport events, the theories behind them, and future directions for research are discussed.