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The social and commercial impact of sport, the role of sport management

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In this paper I argue that those interested in the management of sport should discuss their research with leaders in management and sport management. They should also talk to practitioners to see what problems they are confronting.

Using the work of Gerrard and Andrews I suggest that the commercialisation of sport has been heavily influenced by media companies. I identify four social issues that have not been dealt with in the sport management literature or have just started to be addressed. These are: sport and environmental issues; the offshore production of sport equipment; the social responsibility of sport organisations; and the lack of research on the club and recreational leagues, which are the backbone of the sport delivery system.

I indicate that I am willing to work with people on any of these topics or any other sport management related topics. I do have several caveats with any help I give. I suggest that if you get sick like me it helps to have a supportive family. I conclude by saying that the management of sport has great potential but researchers must refer to other work that is related to the topic they are investigating.

Keywords: social impact; commercial impact; sport management

To be successful, the first thing to do is fall in love with your work. (Mary Lauretta)

As an athlete, coach, student, teacher and academic I loved sport. My family and my colleagues have fostered this love and it is this that has kept me going and involved while I have been sick. Like many people, my first involvement in sport was in secondary school where we played rugby and participated in cross-country running. When we played rugby we had to clear the sheep off the pitch. You were unlucky if you were tackled on top of the sheep droppings! One of the advantages of winning the cross-country races was that you got to go in and shower first. Calling it a shower was a bit of a stretch. It was one stream of water coming out of the wall!

While at school, I joined Derby & County Athletic Club. After a run at Derby, we washed with the other runners in a tin bath, which was housed in a room at the back of a pub. The water for the bath was heated by a coal burning pot-bellied stove. Derby was not some small and obscure club, just a few years earlier we had won the English Cross Country title and, in that year, had the fastest 10,000-metre runner in the world.

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Today, sport has changed considerably. Athletes want proper pitches. For example, a group of women football players sent a letter to Fédération Internationale de Football Association to ask that they play the 2015 World Cup on natural turf as opposed to the artificial turf, which the Canadian Soccer Association is proposing. Nowadays, top class athletes no longer have to wash in a tin bath but they have state-of-the-art facilities, trainers, nutritionists, sport scientists, physiotherapists and psychologists. In this paper, I explore some of the changes that have taken place and the fact that academics, who study the management of sport, have not fully addressed these issues.

For sport management, it is as Charles Dickens wrote about the situation in France in his classic novel *A Tale of Two Cities*: It was the best of times, it was the worst of time. It is the best of times because we now have at least four English-language journals that deal specifically with sport management. We also have related journals about issues such as: marketing, finance, policy and the role of sponsorship. Our knowledge about the management of sport has increased considerably. It is the worst of times because we still have a long way to go and sport management is not yet recognised by the broader management field.

When it first started in the early 1950s, sport management was about the management of physical education programmes and the organisation and administration of athletics. Our focus is now on the management of major sport events such as the Olympic Games, the marketing of and through sport and the sale of sport products. Today, the social and commercial aspect of sport is about the relationship of sport to politics. For example, the suggestion by British Deputy Prime Minister, Nick Clegg, that Russia should not be allowed to host the 2018 Football World Cup because of their aggression towards the Ukraine; the pre-apartheid situation in South Africa; the boycotting of Olympic Games for political reasons; and the inclusion of minorities in sport. The social aspects of sport such as environmental issues, the involvement of sport companies in third world development and the action of these companies, plus the role of sport organisations in their community are all fruitful areas of study.

Individuals who study the management of sport should use literature and theories that are relevant for their research. For the most part, these are found in the general management field. However, sport management academics may use, where appropriate, the literature from fields such as economics, gender studies, political science and leisure studies to name but a few. They may also use the literature of sociology (the basis of Organisational Theory) and psychology (the basis of Organisational Behaviour) as well as the basis of many marketing studies. When researching topics, why would we not refer to the general management literature and the related writings that apply to the topic under consideration?

What this means is that researchers should not reference the entire literature about the subject under study; the literature which is referenced should cohere. As a result, I recommended to the graduate students I supervised that they write a theoretical framework, or a theoretical background, not a review of literature. With the review of literature, all we get is a listing of everything about the topic under study. The literature does not cohere into any type of framework. Regardless of what literature is used, researchers who study the management of sport tend to focus their efforts on public sector organisations.

If we are concerned about the social and commercial use of sport we should also look at privately held organisations. Puma, adidas, Nike, Reebok, Wilson, Huffy and Ping are some of the most recognisable private organisations that manufacture sports equipment.
and, as such, contribute considerably to the commercialisation of sport. Yet, there are few articles by sport management academics about these organisations. The only article I could find in sport management journals is the Miller, Fielding, Gupta, and Pitts’s (1995) article about Hillerich & Bradsby (the makers of the Louisville Slugger baseball bat). The lack of research on these organisations is problematic since they are heavily involved in the commercialisation of sport.

In addition to a primary focus on public sector organisations, researchers who study the management of sport have concentrated their efforts on the most visible organisations e.g. the Olympic Games and in the USA, the National Collegiate Athletics Association and its member university sport organisations (athletic departments). There seems to be a belief that the more data that are collected from people who work in these highly visible organisations, and if these data are subject to complex statistics, then a better paper will be produced. This is simply not true. Philip Selznick (1949) wrote about the Tennessee Valley Authority, Michel Crozier (1964) studied a tobacco factory and Alvin Gouldner (1954, 1955) wrote two books about a gypsum plant. None of these authors used complex statistics, yet each have made a major contribution to our understanding of management. Some of the articles I review, and I review a lot of articles, have statistics I have never heard of. Statistics are not an end in themselves, but a means to an end. All articles that address the social and commercial aspects of sport should be designed to communicate, not confuse. Complex statistics are used by some researchers seemingly just to demonstrate their knowledge.

There is nothing wrong with statistics but the statistics that are produced must relate to the original research question.

Researchers who study the management of sport should familiarise themselves with trends in the general management field. After all, our field is called sport MANAGEMENT. To this end, researchers who study the management of sport should discuss their research with leaders in the general field of management. It may be finance or marketing. For me, it is Organisational Theory: the structure, design and processes of organisations. Bob Hinings, Andrew Pettigrew and Danny Miller are three of the best organisational theorists and strategists in the world.

When I heard Bob Hinings was at the University of Alberta, I went over to his office. We talked about our research and, because he is a fellow Englishman, we talked about England. Subsequently, Bob and I have written articles together, which have appeared in the leading sport management journals and general management journals.

When it came time for sabbatical, I was originally going to the University of Bradford to work with David Hickson. While I could have gone to Bradford, David suggested I contact Andrew Pettigrew at the Centre for Corporate Strategy and Change at Warwick Business School. When I contacted Andrew, he asked one of my colleagues ‘Why would somebody interested in sport, want to come to the Centre for Corporate Strategy and Change?’ Just over a year ago, Andrew emailed me asking for some references for an article he was working on. Andrew is now with the Management Group at Oxford University. While at Warwick, I presented a paper to Andrew and the other members of the Centre for Corporate Strategy and Change, that paper was subsequently published in Organization Studies.

I first met Danny Miller when he came to a conference at the University of Alberta. I volunteered to pick Danny up from the airport. I had never met Danny before and because he has Multiple Sclerosis, I did not know whether or not he would be in a wheelchair, consequently I had a sign with Danny’s name on it. When he came out he
said ‘I wouldn’t wait for that bum if I were you!’ Danny and I have become good friends and he comes up to see me at the hospital when I have dialysis. My wife and I always see Danny and his wife Isabelle when they are in Edmonton.

As I have already stated, individuals who are interested in the social and commercial aspects of sport should discuss their research with leaders in the general management field. They should also talk to researchers in the sport management field. Bill Gerrard, Terri Byers, Stefan Kesenne, Wladimir Andreff, Nuria Puig, Klaus Heinemann, Graham Cuskelley, Berit Skirstad and Barrie Houlihan, plus a number of North Americans are all people I talk to about my research.

People who study the management of sport should also talk to practitioners to see what problems they are facing. I have talked to Alan Pascoe, the late Mark McCormack and the late Bernard Lacoste. I have also talked to consultants at Sport Canada and some of the consultants at Sport England. In addition, I have interviewed the Executive or Technical Directors for all the Canadian sports.

Alan Pascoe has been a friend of mine since we were at Borough Road College, the University of London and shared a house with three other guys. Alan won a silver Olympic medal in the 4 × 400 m relay, he was also captain of the British Track and Field team and he was on the organising committee for the 2012 London Olympics. Alan ran one of the biggest sport marketing and event management companies in the world; it has over 800 employees in 20 offices around the globe.

I sat on a committee with Mark McCormack and Barnard Lacoste in Vienna. While many of you might not have heard of Mark, you have probably seen some of his athletes. Mark originally signed golfers Jack Nicklaus, Arnold Palmer and Gary Player. Today IMG (International Management Group), the company that Mark formed, has clients that include Bjorn Borg, Chris Evert, Pete Sampras, Michael Schumacher, Derek Jeter, Charles Barkley and model Kate Moss. He also handled special projects for Margaret Thatcher, Mikhail Gorbachev and Pope John Paul II.

Bernard Lacoste is also not well known but many of you may have the signature Lacoste logo ‘the crocodile’ on your clothing or sports equipment. Those of you who follow tennis will have seen advertisements at the Roland Garros tournament (the French Open) and Wimbledon. When Bernard took over Lacoste from his father, the company was producing hundreds of thousands of articles of clothing. By the mid-2000s the figure was into the tens of millions, which were sold all over the world and from 2002, he was a member of the Federation of the European Sporting Goods Industry. Prior to the conference we were in Gatwick airport in England, and in the duty free area, I spotted one of his Lacoste stores.

All of these people, both the academics and the practitioners, have contributed to the commercialisation of sport, as well as developing sports equipment. By virtue of what they do, people like Alan Pascoe and Bernard Lacoste and the companies they managed, are all involved in the commercialisation of sport. Alan transformed a small fun run into the London Marathon, an international sports event that has a worldwide viewing audience and a number of high-profile sponsors. He is also involved with the Commonwealth Games, looks after the television distribution of sports events, and the acquisition of sponsorship.

Commercialisation is about more than the manufacture and sale of sport equipment and the staging of sport events. Bill Gerrard identified how team sport has developed into a highly commercialised commodity. As Gerrard (2004) said:
The professional team sports industry is a complex micro-economy, consisting of a set of interdependent markets. Teams buy the services of players and coaches. Fans buy game tickets, subscriptions to TV sports channels and team merchandising. TV companies buy sports broadcasting rights to deliver games to the stay-at-home fans. Big businesses buy executive suites, corporate hospitality and sponsorship opportunities. (p. 247)

Some professional sport teams are also owned by wealthy business people, some are owned by corporations, such as Red Bull and Disney. Consequently, their emphasis is not so much on sporting prowess, that is, the winning of games but on the return on investments for shareholders.

Gerrard also documents how sport has changed and how many media organisations own sport franchises. He suggests that the acquisition of professional sport teams by media organisations is an example of backward (or upstream) vertical integration. He argues, ‘media ownership of teams is best understood as a response to the extreme uncertainty in the professional team sports industry arising from both the internal dynamic of the industry and the external environmental turbulence, primarily caused by technological change (p. 248)’.

David Andrews (2004) wrote about the role of newspapers and the commercialisation of professional sport leagues by a media organisation. Andrews’ focus is Rupert Murdoch’s News Corporation. Andrews (2004) quotes David Rowe and Jim McKay (1999) to say ‘There is no one in the media world who has a greater commitment to the commercial exploitation of sport than Murdoch (p. 10).’

In 2004, Andrews noted that News Corporation controlled 132 newspapers around the world, plus a number of magazines and publishing houses. In 1992 Sky Sports, a branch of News Corporation paid £304 million for a five-year deal with the English Premier League to broadcast live football games. News Corporation also acquired the rights to some of Britain’s premier sporting events, specifically most of England’s national Association Football teams’ home matches, England’s Test team cricket matches, a number of Rugby Union games, the entire Rugby League schedule and the Ryder Cup of golf.

When Sky Sport’s contract with the Premier League ended in 1997, Murdoch’s News Corporation outbid its competitors by offering £670 million for a four-year deal with the Premier League. Fox News acquired National Football Conference football games from CBS for US$1.58 billion for a four-year contract. It later acquired the rights, along with NBC and ESPN, to Major League Baseball paying US$1.7 billion for a five-year contract. It also acquired, along with ABC and ESPN, the rights to National Hockey League (NHL) games for US$600 million for a five-year contract. Fox’s involvement with the NHL was less than successful in terms of national viewing figures. Today, News Corporation has been divided into News Corp and 21st Century Fox in response to the recent telephone hacking scandals.

The acquisition of professional sport franchises by media organisations and activities of companies like News Corporation are both examples of commercialisation. In addition to sport organisations, the men and women, who are their members, are also involved in the process of commercialisation, through diverse activities, such as, the promotion of products that include breakfast cereal, cologne, cars and underwear. Commercialisation involves a wide range of activities. As Gerrard (2004) and Andrews (2004) have written, the roles of media organisations are particularly relevant to the process of commercialisation. However, with the exception of sponsorship articles published in sport management
journals, we have not addressed the process of commercialisation or any of its component parts. Despite the wide-ranging activities that constitute the process of commercialisation, I could find only two books, which address the process. Australian David Rowe’s book, *Power Play* contains several chapters about the commercialisation process and my own edited text, *The Commercialisation of Sport* contains a number of chapters, which also address the process.

In terms of the social aspects of sport, there are many and some involve commercialisation, but in this paper I will concentrate on four: sport and its relationship to the environment the offshore production of sporting equipment; the impact of sport organisations on their community; specifically the topic of corporate social responsibility; and the comparative lack of research on smaller organisations, such as, sport clubs and recreational leagues, which are the backbone of the sport delivery system.

Like other social phenomena, sport impacts the environment. On its website, the International Olympic Committee (IOC) has a section related to sustainability. The first Green Olympic Games were the Sydney Games. Subsequent Games have also been required to report on environmental issues.

Two of the biggest Olympic Partner programme sponsor companies, are Coca-Cola and McDonald’s. However, there is a contradiction with those two sponsors being classified as green. Coca-Cola, one of the first sponsors of the Olympic Games, were criticised for using chlorofluorocarbon in their refrigeration system at Olympic sites. After a series of worldwide protests, Coca-Cola adopted a new refrigeration policy and phased out their chlorofluorocarbon refrigeration units from the 2004 Olympics in Athens, Greece. Like Coca-Cola, McDonald’s has been a long-time sponsor of the Olympic Games and was involved in the Green games. McDonald’s has also been extensively criticised for its environmental practices. There are accusations that it destroys rainforests, its packaging has detrimental environmental effects and that it is cruel to the animals that contribute to its menu. Both companies have been criticised because they promote their products to children and both are seen to have negative health consequences. As such, their contribution to a ‘Green Games’ is in question.

In addition to sponsors of the Olympic Games, local golf courses have been criticised because of their use of pesticides and fertilizers. During a run-off, both these types of chemicals pollute rivers and streams. Thus, the water supply of the surrounding areas has been affected. Environmental issues and global warming are of concern to the NHL because it could affect the future of ice hockey. The 2014 NHL Sustainability Report noted a 20–30% decrease in the length of the outdoor ice skating seasons over the past 50 years. A geographer at Concordia University predicts that in 2050, southern Canada may not have any outdoor ice hockey rinks (Seidman, 2014). This is problematic, given the importance that Canada places on hockey and the role of hockey in Canadian culture. In addition to the outdoor rinks, which are melting, there is also a concern that some indoor rinks may be eroding or at least providing softer ice.

The Vancouver Canucks, a member of the NHL, has announced its founding membership in the Green Sport Alliance to continuously improve on environmental practices. In 2013, the Vancouver Canucks partnered with Waste Management and the Green Sports Alliance to reach a goal of zero waste. They placed green bins throughout the Rogers Arena (the rink where the Canucks play) to reduce the impact on the environment. In June 2014, the Canucks ice hockey club also announced that they would be partnering with SHIFT Energy to launch an automated Energy Optimization System,
which will allow for a significant reduction in energy usage. Estimates are that it will save Rogers Arena, 14% of their energy cost.

Sport management researchers must also be concerned with the design and construction of stadia and arenas. It is important that people who design facilities consider the environmental sustainability of those facilities. Architects who design facilities should consult with owners, governments and environmental groups. The main reasons for adopting environmentally sustainable facilities are the economic benefit that is derived over the life of the facility and the public relations benefits.

The Sport & Recreation Alliance, which deals with smaller voluntary sport organisations in the UK, state on their website that: ‘We aim to lead by example in the Sport and Recreation sector by promoting and practising environmental sustainability. We are committed to preventing pollution and minimising our negative environmental impacts’. Research into the adoption of environmentally sustainable facilities may find the diffusion of innovation literature useful.

In addition to environmental issues, people who research the management of sport should also look at the offshore production of sports equipment. Factories in Asian countries like China, Korea, Indonesia, the Philippines and India manufacture sports equipment that is sold all over the world. For the most part, people who study the management of sport have not addressed this topic. The only two articles that I could find were by someone in a management school. While many companies manufacture offshore, the company that has received the most criticism is Nike. Boje (1998) noted that the women who work in the Nike factories were perceived as being more compliant than men. They are often subject to sexual harassment, are given no benefits, are cheaper to employ, are forced into overtime and often non-unionized. Given the importance of sporting equipment and the issues related to its production, people who study the management of sport have a responsibility to look at these issues.

Big companies like Nike and small local sport clubs have an obligation to their community. This obligation is referred to as corporate social responsibility (CSR). Boje and Khan (2012) suggest that CSR can improve the image of entrepreneurs with consumers, help the company gain legitimacy for their labour practices and assist them in attracting other resources required for their continued success. CSR is a relatively new concept and I must admit I don’t know a lot about it. I received some help from my son-in-law Alex Thurston and his friend from Australia, Jonathan Robertson, who provided me with some books and articles on CSR, and also how CSR is used by sport organisations.

Lockett, Moon, and Visser (2006) from the International Centre for Corporate Social Responsibility, at Nottingham University, suggest that the major focus of CSR research has been on the environment and ethical issues. They found that social issues and the role of stakeholders were also important in CSR research. In terms of sport while CSR has attracted considerable attention from management researchers it has only just started to be addressed by researchers who study the management of sport. Breitbarth and Harris (2008) look at the role of CSR in professional football. They argue that CSR increases the competitiveness of the game and creates additional value for its stakeholders. They propose a conceptual model, which emphasises the agency role of football, and they give primacy to political, cultural, humanitarian and reassurance values. The empirical model is supported by evidence from England, Germany, Japan and the USA. They argue that the aim of their article is to show how CSR can be used by researchers who study the management of sport to provide ‘an opportunity-driven concept, which can assist in
achieving better strategic direction, and outlines areas where future research can improve sport management's appreciation of this rapidly more important topic' (p. 179). Although Breitbarth and Harris's (2008) paper is about football, the findings could apply to other sports.

In 2009, the *Journal of Sport Management* had a special issue on CSR in Sport. In that special issue, Godfrey (2009) provided an overview of the relationship between CSR and sport. He noted that 'the origins of CSR lie in philanthropy' (p. 700) and the debate over CSR migrated from Law Schools to Business Schools after an article appeared in the *Harvard Business Review* in 1949.

Godfrey concurs with the opinion of McWilliams and Siegel (2000) who suggest the general consensus academically would be that CSR represents a set of actions that appear to further some social good, extend beyond the explicit pecuniary interests of the firm and are not required by law.

Godfrey suggests that the main concern of CSR in the 1970s was focused on the natural environment, in the late ‘80s, corporate ethic scandals e.g. doping in baseball and cycling, resulted in corporate governance gaining prominence, and by the 90s diversity, gender, ethnicity and sexual orientation issues became the main focus for CSR research. Godfrey concludes by saying that the topic of CSR in sport is a good one. He suggests as sport becomes an increasingly prominent commercial and social institution across the globe, organisations involved in sport should constantly question their social responsibilities.

One of the most recent issues of *European Sport Management Quarterly* contains an article on the relationship of CSR and decision-making. I was pleased to see that two of the authors were Christos Anagnostopoulos and Terri Byers. Christos is writing a chapter on CSR for the new third edition of my text (Understanding Sport Organizations) and Terri is one of my former graduate students.

CSR has great potential to inform us about the management of sport. However, more work needs to be done on the concept of CSR by the people who study the management of sport. The last point I want to mention about CSR is that it is a relatively new concept that individuals who study the management of sport should incorporate into their agenda.

The final social issue I have identified is that researchers have tended to focus on high-profile organisations such as the IOC or public sector organisations such as regional or national sport organisations (equivalent to national governing bodies in the UK). Private-sector organisations (particularly those which manufacture sporting equipment) e.g. Nike, Reebok, adidas, Wilson, etc. have singularly been neglected. I am particularly interested in W. L. Gore & Associates. Gore is an R&D (research and development) company. Its best-known product, Gore-Tex is a waterproof, breathable membrane. The company uses Gore-Tex to make outdoor sports equipment such as tents, waterproof clothing, etc. This product also has medical applications, which I am using right now. When I was in the hospital, the surgeons put a Gore-Tex graft into my arm to help with dialysis. The porosity of Gore-Tex permits the body’s own tissue to grow through the material, integrating grafted material into the circulation system.

As well as neglecting research on companies that manufacture sporting equipment, researchers interested in the management of sport have also been comparatively unsuccessful at looking at small clubs and recreational leagues, which are the backbone of the sport delivery system. Topics like language, emotion and humour, which are important in the operations of small organisations, have been neglected. To my knowledge there are no studies in sport management, which look explicitly at these
topics. Yet, these are important topics, which, people interested in sport should study if we are to get a complete picture of the organisations that deliver grass-roots sport.

Throughout this paper, I have detailed some of the commercial and social aspects of sport that I feel those people interested in the management of sport should address. I am quite prepared to help with these issues. With just a few exceptions, only family and close friends have asked me to read and comment on their papers. I don’t know a lot about the psychology of organisations, that is, Organisational Behaviour, which includes topics such as motivation, commitment and job satisfaction. I know even less about economics and statistics! My expertise, if I have one, is Organisational Theory; the structure, design and processes of organisations. My lack of knowledge in the psychology of organisations and in economics and statistical analysis is somewhat ironic. My youngest daughter Meghan has her PhD in Behavioural Neuroscience and works as a Clinical Psychologist, and my good friend Bill Gerrard is an economist and an excellent statistician. If you are going to get sick and it will no doubt happen to all of you eventually, it helps to have a supportive family. My greatest supporter is my wife, Janet.

There are a couple of caveats on any help I give. First, I am not easy to work with, ask my graduate students or, better still, ask my wife! In fact, my wife would also say I’m not easy to live with! Second, if I make a lot of changes to an article I expect to be named as one of the authors. If I make only a few changes, I expect some acknowledgement that I contributed to the paper.

At the beginning of my paper I stated that I loved sport. I am sure a lot of the people in this room feel the same way. However, if sport management is going to realise its full potential, researchers interested in the management of sport must look at the work that has been done in other disciplines, particularly the general management field. We also need to look at the more obscure sports and those countries other than North America, Western Europe and Australia. If we do, sport management could have the capacity to realise its potential.

Finally, I would like to thank all of the people associated with Coventry University for organising this conference and inviting me to deliver this keynote. Specifically, a special thank you to Dr. Terri Byers and Dr. Benoit Senaux for their assistance. My take-home message is: to be successful you should love your work and, in turn, help the field progress.

Notes
1. Information can be found at www.beyondpesticides.org/golf.
2. Further information can be found at http://canucks.nhl.com/club/page.htm?id=57839.

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**References not cited in the paper but may be useful:**


