

FIFTH EDITION

# Principles and Practice of SPORT MANAGEMENT

Edited by

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**Lisa P. Masteralexis, JD**

Department Head and Associate  
Professor

Mark H. McCormack Department of  
Sport Management

Isenberg School of Management  
University of Massachusetts, Amherst  
Amherst, Massachusetts

**Carol A. Barr, PhD**

Vice Provost for Undergraduate  
and Continuing Education

University of Massachusetts,  
Amherst

Amherst, Massachusetts

**Mary A. Hums, PhD**

Professor

Department of Health and Sport Sciences  
University of Louisville  
Louisville, Kentucky



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LEARNING

World Headquarters  
Jones & Bartlett Learning  
5 Wall Street  
Burlington, MA 01803  
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info@jblearning.com  
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# Preface

As the sport industry evolves at a dramatic rate, the goal of providing a comprehensive, current, and concise introductory textbook on sport management becomes a challenging task. Yet, we have attempted to do just that, in providing our readers (students, professors, and practitioners alike) with this fifth edition of *Principles and Practice of Sport Management*.

This is a textbook intended for use in introductory sport management courses. The focus of these courses, and this textbook, is to provide an overview of the sport industry and cover basic fundamental knowledge and skill sets of the sport manager, as well as to provide information on sport industry segments for potential job employment and career choices.

Directed toward undergraduate students, the textbook has three distinct sections:

- Part I provides an overview of basic knowledge areas for the successful sport manager, presenting fundamental principles and key skills as well as information on current issues.
- Parts II through V present overviews of major sport-industry segments in which a sport manager could work, followed by case studies intended to spark debate and discussion.
- Part VI provides the reader with the basics of breaking into the highly competitive sport management industry.

Where appropriate, we have included an international perspective to give readers a broad view of sport management in the global context, which they will need as the world grows increasingly “smaller” in the decades to come. We would like to draw special attention to *Chapter 9, International Sport*, which guides the reader through the global “sportscape” by examining the burgeoning sport industry around the world. The chapter makes the point the reader should not confuse “globalization” of sport with the “Americanization” of global sport.

## New to this Edition

This *Fifth Edition* is full of current data and information, and offers a mix of contributions from scholars and practitioners. Based on feedback from faculty using the text, each chapter has undergone review and revision, and chapter authors have been attentive to providing new material and updated information, such as:

- Social media’s prevalence today and its usage, role, and impact on sport.
- Sport safety concerns, with a focus on the attention concussions are receiving from youth sports to professional sports and the NFL.

- New! Managerial, legal, and ethical implications of the case involving Jerry Sandusky, the former assistant football coach at Penn State University who was convicted of sexual misconduct involving minors. This case is discussed in several chapters as it is important for the student and future sport manager to understand.

Additional updates include the following:

- **Chapter Learning Objectives:** Revised to correspond with Bloom's taxonomy and are now included in the text.
- **Chapter 8, Collegiate Sport:** Reflects a proliferation of changes in conference affiliations within college athletics.
- **Chapter 9, International Sport:** Includes a new section on the emerging area of Sport for Development and Peace whereby managers use sport as a tool to address social issues in communities worldwide.
- **Chapter 12, Facility Management:** Covers information on new standards being applied in the building of sport facilities including LEED (Leadership in Energy and Environmental Design) certification and Universal Design which extends the Americans with Disabilities Act and makes facilities more accessible for all people.
- **Chapter 13, Event Management:** Explores the complexity of event security brought on by the 2013 Boston Marathon bombings.
- **Chapter 16, Sport Communications:** Expanded to include a section on new media including the use of YouTube, Twitter, and Facebook in the sport industry.
- **Chapter 18, The Sporting Goods and Licensed Products Industries:** Includes a case study on New Balance in the sporting goods industry and how it employed a sustainable growth approach.
- **Chapter 19, Golf and Club Management:** Addresses the new challenges that managers face which include declining demand, changes in lifestyles and family expectations, the need for sustainability, and technological advances.
- **Chapter 21, Strategies for Career Success:** Includes a new section on "The Elevator Speech" that provides instruction on how to prepare for meeting potential employers in informal settings in the course of looking for employment.

Overall, this textbook allows the reader to learn both the foundations and the principles on which sport management operates and offers an opportunity to apply those foundations and principles to the sport industry. This textbook offers historical perspectives as well as thoughts about current and future industry issues and trends. For all these reasons, this textbook will prove a valuable resource to those seeking employment in the sport management field, as well as those whose role it is to educate future sport managers.

## Resources for Instructors

As with previous editions, this edition offers instructors a wealth of resources to aid in the teaching of this material. These include:

- Expanded Test Banks
- Lecture outlines in PowerPoint format
- Midterm
- Final

## Resources for Students

This edition also includes abundant resources for students to practice and self-test their knowledge of the text. These include:

- Interactive Glossary
- Interactive Flashcards
- Web Links
- Case Studies
- Practice Activities
- Interactive eBook



# Acknowledgments

We would like to acknowledge the efforts of some individuals without whom this text would not be possible. First and foremost, we express our deep appreciation to our contributing authors. Each author contributed his or her valuable expertise and experience to create a work that provides a wealth of knowledge to the sport management student. Through the editorial process, we have gained from them a greater understanding of the sport industry and our introductory sport management curriculum.

We have made some changes to the chapters and contributing authors since the last edition of this book. You should note we have left some chapter contributors' names from the previous editions to note the significance of the material carried over from those editions to this *Fifth Edition*. We would like to thank those authors who did not participate in this edition, but who contributed to previous editions and whose original work may still be included in this *Fifth Edition*. These contributors over the years and previous editions of this textbook include: Stephen Bromage, William A. Sutton, Dennis R. Howard, Berend Rubingh, Adri Broeke, James M. Gladden, Michael Graney, Kevin Barrett, Mark A. McDonald, Howard M. Davis, Tim Ashwell, William Howland, Laurie Guillion, Virginia R. Goldsburly, Timothy D. DeSchraver, Nancy Beauchamp, Robert Newman, Andrew McGowan, Betsy Goff, Tracy Schoenadel, Troy Flynn, Kevin Filo, Rod Warnick, Sheranne Fairley, and Mireia Lizandra.

## Reviewers

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**Jaime Orejan**, Winston-Salem State University

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# Contributors

## Editors

### **Lisa P. Masteralexis, JD**

Department Head and Associate Professor  
Mark H. McCormack Department of Sport  
Management  
Isenberg School of Management  
University of Massachusetts, Amherst  
Amherst, Massachusetts

### **Carol A. Barr, PhD**

Vice Provost for Undergraduate and  
Continuing Education  
University of Massachusetts, Amherst  
Amherst, Massachusetts

### **Mary A. Hums, PhD**

Professor and Coordinator of the Sport  
Administration PhD Program  
Department of Health and Sport Science  
University of Louisville  
Louisville, Kentucky

## Chapter Authors

### **Nola Agha, PhD**

Assistant Professor  
Sport Management Program  
University of San Francisco  
San Francisco, California

### **Gregory Bouris**

Director of Communications  
Major League Baseball Players Association  
New York, New York

### **John S. Clark, PhD**

Professor and Director of the MBA Program  
School of Business  
Robert Morris University  
Moon Township, Pennsylvania

### **Dan Covell, PhD**

Professor  
Sport Management  
College of Business  
Western New England University  
Springfield, Massachusetts

### **Todd W. Crosset, PhD**

Associate Professor and Director of the  
Undergraduate Program  
Mark H. McCormack Department of Sport  
Management  
Isenberg School of Management  
University of Massachusetts, Amherst  
Amherst, Massachusetts

### **Neil Longley, PhD**

Professor  
Mark H. McCormack Department of Sport  
Management  
Isenberg School of Management  
University of Massachusetts, Amherst  
Amherst, Massachusetts

### **Tara Q. Mahoney, PhD**

Assistant Professor  
Sport Management Department  
State University of New York College  
at Cortland  
Cortland, New York

### **Stephen M. McKelvey, JD**

Associate Professor and Graduate Program  
Director  
Mark H. McCormack Department of  
Sport Management  
Isenberg School of Management  
University of Massachusetts, Amherst  
Amherst, Massachusetts

Contributors

**Jim Noel, JD**

Practicing Attorney

**Per G. Svensson**

Doctoral Fellow

Department of Health and Sport Sciences

University of Louisville

Louisville, Kentucky

**Jo Williams, PhD**

Associate Professor and Department Chair

School of Business

University of Southern Maine

Portland, Maine

**Glenn M. Wong, JD**

Professor

Mark H. McCormack Department of

Sport Management

Isenberg School of Management

University of Massachusetts, Amherst

Amherst, Massachusetts



# Part I

## Foundations of Sport Management

- Chapter 1** History of Sport Management
- Chapter 2** Management Principles Applied to Sport Management
- Chapter 3** Marketing Principles Applied to Sport Management
- Chapter 4** Financial and Economic Principles Applied to Sport Management
- Chapter 5** Legal Principles Applied to Sport Management
- Chapter 6** Ethical Principles Applied to Sport Management





# Chapter 1

Todd W. Crosset and  
Mary A. Hums

## History of Sport Management

### Learning Objectives

---

Upon completion of this chapter, students should be able to:

1. Demonstrate knowledge of the roots of our modern sport management structures and how most have grown in response to broader social or sport industry changes.
2. Evaluate the impact of different cultures on sport and the unique contribution of American management to the development of sport.
3. Assess the methods that successful sport managers developed in the late twentieth and early twenty-first century that promoted honesty.
4. Appraise the effect that the many “honesty crises” (e.g., Black Sox scandal or NCAA college basketball gambling scandal of 1951) have had on the sport industry.
5. Assess the historic tension in American sport between democratic ideals and race, class, and gender segregation, and how in the context of American society, these limitations were used to promote social divisions.
6. Estimate the effects of exclusionary practices such as age limits, performance criteria, or geographical/citizenship criteria that teams and leagues impose on their membership.
7. Recognize that aristocrats in eighteenth-century England, who held thoroughbred races, formed jockey clubs, and allowed the masses to be spectators can be viewed as precursors to modern sport managers.
8. Identify the reasons why American baseball and the Olympics have their roots in English culture.
9. Compare and contrast the ways in which unique “American” culture resulted in sport structures that differed from European models, and how harness racing, professional baseball, and professional golf tours in the United States developed differently from each other and from European models.
10. Assess the important role that women have had in the growth of the sport industry.
11. Value the need that sport organizations have for trained sport managers, and how this need grew from a cooperative idea between practitioners and academics.
12. Recognize that academic sport management programs exist around the world, and that although these programs may share similar curricular topics (e.g., sport marketing or sport law), each country trains its sport management students in a manner appropriate for its domestic sport industry.
13. Describe the role of NASSM and COSMA in the growth of sport management research and education.

## Introduction

The contemporary sport industry is complex and has unique legal, business, and management practices. As a result, many of the ways this industry is organized are unique, too. The organization of sport has developed over the past 150 or so years and continues to evolve. Most recently, for example, sport managers have been tinkering with structures such as conference alignments, drafts, and playoff systems.

This chapter explores the roots of our modern **sport management structures**. The management structures of sport reviewed in this chapter are **clubs**, **leagues**, and **professional tournaments**. These structures help managers organize sport and are the basic building blocks of many of our sports today. The chapter also addresses the development of the sport management academic discipline, which evolved as the need for trained sport management professionals became apparent.

The primary theme of this chapter is that sport management structures grow in response to broad social changes and/or to address specific issues within a segment of the sport industry. The evolution of these structures illustrates that sport managers need to be creative in the ways they run their sport organizations. One “catch-all” management structure will not work for all situations. History suggests that successful sport managers are flexible and adapt to broader changes in society. This chapter also gives a few examples of innovative and successful sport managers.

Many events have shaped the world of sport and the sport industry. While it is nearly impossible to create a time line that hits all the highlights, one is included at the end of this chapter for your reference. The time line includes the founding dates of many sport organizations as well as a number of “firsts” in the sport industry in terms of events. Try thinking about events or people you would add to this time line—it is a good conversation starter!

Two secondary themes run throughout this brief examination of the history of sport management structures: honesty and inclusion. The legitimacy of modern sport demands honest play, or at least the appearance of honest play. Nothing in sport is more reviled than the athlete who does not try. An athlete who does not exert an honest effort is a spoilsport. Players who throw games are sellouts. So critical is the perception of an honest effort that sport managers will ban people from their sport for life if they tarnish the game by the mere possibility they bet on their team to lose (e.g., Pete Rose).

The appearance of an honest effort is one of the most important precepts organizing modern sport. It is more important, for example, than fair play or equality of competition. Although there are structures that level the playing field (e.g., drafts, salary caps), disparities among teams remain, giving some teams advantages over others. The public is much more tolerant of players breaking the rules when trying to win than it is of players throwing games. The public’s notion of what ensures an honest effort also changes over time. One issue addressed throughout this chapter is how sport managers have changed or adapted sport to ensure the appearance of honesty as broader structures have changed.

Another issue this chapter explores is the tension between democratic inclusiveness and the regulation of participation. The desire to create a meritocracy is implicit in modern sport—if you are good enough, you should play. This is illustrated nicely by the slogan and campaign, “If you can play...you can play” (You Can Play Project, 2013). But, by necessity, any form of organized sport includes rules limiting who is allowed to participate. For example, most contemporary sports leagues or teams have age and gender requirements. International governing bodies, as well as local leagues, have citizenship and residency requirements.



Athletes who have just moved to a new nation or town are sometimes excluded from participating in sports.

Answering the questions “Who gets to play?”, “Who is encouraged to watch?”, and “Who is left out?” requires both an understanding of sport-specific issues and broader social issues. When it comes to who gets to play, what seems “fair” at a particular juncture in history often reflects broader social beliefs. For example, not long ago it would have been unthinkable for girls to play little league baseball or for women to compete against men on the Professional Golfers’ Association (PGA) tour. Although it is still unusual, women have competed in PGA tournaments. Michelle Wie has played against men in 14 tournaments, including eight PGA TOUR events. Both Wie and Si Re Pak have made the cut in Asian men’s competitions as well.

Historically, the groups with the most power in a society define the limits of participation, usually to their benefit. Sport in the first half of the twentieth century, for example, developed along with the eugenics movement, legal racial segregation, and an ideology of white racial superiority in the United States and South Africa. For many generations, mainstream sport structures in the United States and South Africa either excluded or limited participation by people of color. These structures reflected and promoted an ideology of white racial superiority.

Notions of what makes for honest play and who should be allowed to play or watch sport change over time. Sport managers have adapted sport to reflect changes in the broader society.

## The Club System: Sports and Community

England is the birthplace of modern sport and sport management (Mandell, 1984). The roots of most Western sports, including track and field,

all the variations of football, and stick-and-ball games such as baseball, field hockey, and cricket, can be traced to England. The broad influence of England’s sporting culture is the result of the British Empire’s imperial power in the eighteenth and nineteenth centuries. Britain had colonies all over the world and took her sports to all of them.

The continuing influence of the British sports tradition after the empire’s demise has as much to do with how the English organized sport as it does with England’s political and cultural domination. Even sports that originated outside England, such as basketball, gymnastics, and golf, initially adopted English sport organizational structures.

In the eighteenth century, the English aristocracy, made up of nobles and the landed gentry, began to develop sports clubs. Membership in these clubs was limited to the politically and economically powerful of English society. The earliest clubs simply organized one-time events or annual competitions and brought members together for social events. By the nineteenth century, clubs standardized rules, settled disputes between clubs, and organized seasons of competitions.

Thoroughbred racing was one of the first sports transformed by the club management system. Other English sports, such as cricket, rugby union, and soccer, also adopted a similar club management structure. The focus here is on thoroughbred racing simply because it is the earliest example of club management.

### Thoroughbred Racing

Early races were local events, often associated with holidays or horse sales. By the mid-eighteenth century, thoroughbred racing and breeding had established a broad following among the English aristocracy. Local groups of breeders organized races. Horse owners arranged the events, put up purses, and invited

participants to show off their best horses and demonstrate their prestige.

At this time horse racing was managed on a local level. The organization was essentially a volunteer system of management, controlled by the same wealthy men who owned the horses and estates. Despite the extreme stratification of eighteenth-century English society, horse races drew a broad and diverse audience. All levels of society attended races. The owners, the elite of the community, in keeping with tradition and meeting their social obligation to entertain the masses, did not charge admission.

Even though horse races were important for demonstrating prestige, they were rarely the primary business interest of the horse owners who controlled the sport. Consequently, seventeenth-century horse racing and sport remained largely separate from the growing capitalist economy. Horse racing existed primarily for the entertainment of wealthy club members and did not have to be an independent, self-supporting financial entity. This system gave horse racing the appearance of honesty. The public believed that the aristocracy—men of breeding, culture, and wealth—would not be tempted by bribes, influenced by petty feuds, or swayed to make unfair decisions.

The local club system governed the sport successfully as long as racing remained local. Soon, however, two factors combined to create a need for more systematic management: (1) the desire of owners to breed and train the fastest horses in England and (2) the increasing complexity of gambling.

As the elite gained prestige for owning the fastest horses, horses were bred for no other purpose than to win races. Speed was appreciated for its own sake, distinct from its religious, military, or economic purpose—a uniquely modern phenomenon (Mandell, 1984). Races usually consisted of a series of 4-mile heats. The ideal horse combined speed with endurance.

By the 1830s rail transportation enabled owners to compete nationally. Local-level management governing area breeders, owners, and jockeys had worked well because of the familiarity among all involved, but national competition meant race organizers now managed participants they did not know very well, if at all. Thus, the management of thoroughbred racing needed to become more systematic.

Gambling on thoroughbred horse races was common among all classes. Much as speed became appreciated for its own merits, betting on thoroughbred races began to be appreciated for its own value. Gambling not only provided exciting entertainment but also provided bettors with tangible evidence of their knowledge of horses and ability to predict who would win (Mandell, 1984).

Gambling also ensured honest competition. The crowd policed the jockeys. At that time, horse racing was a head-to-head competition. Races were a series of 4-mile runs. The winning horse had to win two out of three races. If the crowd suspected a jockey had allowed the other contestant to win, the crowd would punish that jockey, often physically.

By the eighteenth century, innovations to the sport designed to draw larger audiences and enhance the ways spectators could wager also made the gambling system more complex. The English created handicapping, tip sheets, and sweepstakes; used the stopwatch to time races; standardized race distances; and added weights to horses. All of these innovations enhanced the public's interest in the sport. As the influence and importance of gambling grew and the systems of weights and handicapping leveled the playing field, the opportunity for a "fixed" race to go undetected also increased. All the enhancements and innovations made it difficult for the audience to detect when and how races were fixed. As a result, conventional methods



could not be counted on to adequately police the sport (Henriches, 1991).

### The Jockey Club: The Birth of Club Governance

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The roots of the management system in thoroughbred racing can be traced to around 1750, when a group of noble patrons in Newmarket established the **Jockey Club**. This group's responsibilities were to settle disputes, establish rules, determine eligibility, designate officials, regulate breeding, and punish unscrupulous participants. The club organized, sponsored, and promoted local events (Vamplew, 1989). Like other local clubs, members of the Newmarket Jockey Club put up the purse money and restricted entries to thoroughbreds owned by club members.

The effective organization and management of thoroughbred racing in Newmarket made it a national hub for the sport. Local champions faced challenges from owners outside their region. The Jockey Club sponsored prestigious races that attracted horse owners from across England. As the need grew for a strong national governing body to establish rules and standards and to create a mechanism for resolving disputes, the Jockey Club from Newmarket emerged to serve those functions (Henriches, 1991).

Some of the lasting contributions the Jockey Club made to racing included sponsoring a stud book listing the lineage of thoroughbreds, helping ensure the purity of the breed; promoting a series of race schedules; announcing, regulating, and reporting on horse sales; and restricting the people involved with thoroughbred breeding and racing to the English elite. The Jockey Club served as a model for wider sport management practices in England.

Cricket, boxing, and other English sports adopted the management and organizational structures developed in thoroughbred horse

racing. In each case, one club emerged as the coordinating and controlling body of the sport, not out of a formal process but by collective prominence. The Marylebone Cricket Club, for example, revised the rules of cricket in 1788 and became the international governing club for the entire sport (Williams, 1989). In 1814, the Pugilist Society was formed by a group of gentlemen to regulate bare-knuckle boxing and guarantee purses. Even sports such as association football (soccer) and rugby, which were organized much later, adopted the club organizational structure (Henriches, 1991).

Club structure depended on the appearance of fairness, loyal support, and volunteer management for its success. The aristocrats who managed and sponsored sport were presumed to be honest and disinterested, giving spectators the sense that competition was fair. Fairness was cultivated through the reputation of sport organizers and their nonprofit motives. Loyalty to specific clubs was cultivated through membership.

### The Modern Olympic Games: An International Club Event

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The club structure is also the foundation for the **modern Olympic Games**. Indeed, the early Games can be viewed as an international club event. Created at the peak of the club system, the modern Olympic Games resemble international club events much more than they do the ancient Games for which they are named. The ancient Games, at least initially, were part of a larger religious ceremony and were initially only for the viewing of, and participation by, free, able-bodied, male Greek citizens. These Games existed for 1,169 years and over time became an international gathering of athletes. The Games were discontinued in AD 393, although they were held in some form until AD 521 (Ministry of Culture–General Secretariat for Sports, 1998). Almost 15 centuries passed



Courtesy of Library of Congress Prints and Photographs Division [LC-USZ62-109196 DLC and LC-USZ62-109197 DLC]

before the international Olympic Games were revived in another form.

Although 1896 marked the first official staging of the modern Olympic Games, Olympic-like festivals and revivals had been organized on a local level in England much earlier. The most important in the revival of the Games was the annual festival at Much Wenlock, Shropshire, started in 1850 by Dr. William Penny Brookes. As a logical extension of his annual games, Brookes organized the Shropshire Olympian Association in 1861, which led to the founding of the National Olympian Association four years later (Young, 1996).

The current International Olympic Committee's founding conference for the modern Olympic Games was held in 1894. **Pierre de Coubertin**, a young French physical educator who was influenced by Brookes' vision of an international Olympic Games, Professor William Sloane of Princeton University, and Charles Herbert, Secretary of the (British) Amateur Athletics Association, were the initiating forces behind this meeting, which they dubbed an "international athletic congress." More than 70 attendees representing 37 amateur athletic clubs and associations from at least a dozen different nations attended the congress. The primary focus of the congress was the meaning and application of amateurism. De Coubertin, inspired by the English Olympic

revivals, chivalry, Victorian notions of character development through sport, and the notion of an international peace movement, argued for an Olympic-like festival at the meeting. These Games, he suggested, would be held every four years, in rotating sites, and participants would need to be chivalrous athletes—men who competed with grace and for the honor of their club and country. He proposed that the first Games be held in Paris in 1900. So receptive were the attendees that they voted to convene the Olympic Games earlier, in 1896 in Athens, Greece.

The first modern Olympic Games were a nine-day event and drew 311 athletes from 13 nations. The participants were exclusively amateurs. Most entrants were college students or athletic club members, because the concept of national teams had not yet emerged. Clubs such as the Boston Athletic Association, the Amateur Athletic Association, and the German Gymnastics Society sent the largest delegations. Spectators filled the newly built Panathinaiko Stadium to watch the Games, which featured nine sports: cycling, fencing, gymnastics, lawn tennis, shooting, swimming, track and field, weight lifting, and wrestling (Ministry of Culture—General Secretariat for Sports, 1998). For several Olympic Games following (Paris, St. Louis), the event floundered. The Games did not hit solid footing until, not surprisingly, London hosted them in 1908.



### The Club Structure Today

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Many contemporary sports and events have organizational roots in the club sport system. These include U.S. collegiate athletics and European football. Although the club system for the organization of elite sports is fading in some places, it is still a popular way to organize sport and recreation.

Some clubs remain committed to serving their broad membership and managing an elite sports enterprise. Many European football clubs and the Augusta National Golf Club, host of the Masters Golf Tournament, are examples of contemporary club governance. Larger clubs such as Olympiakos or Panathinaikos in Athens, Greece, provide recreation for members in addition to managing their high-profile teams or events. Clubs often organize youth teams and academies, adult recreational leagues, and social events such as dinners and dances for their members. Some club sports, like association football in Europe, have large built-in memberships and loyal fan bases and consequently rarely have a problem attracting crowds for their matches.

Once the dominant management structure of elite sport, the club system is slowly being replaced by other sport management structures. Clearly, the Olympic Games have changed dramatically from the early days; they now resemble the tournament structure which will be discussed later in this chapter. Probably

the most dramatic change was the decision to allow professional athletes to play in the Games. Beginning in the 1970s, amateurism requirements were gradually phased out of the Olympic Charter. After the 1988 Games, the International Olympic Committee (IOC) decided that professional athletes would be eligible to compete at the Olympic Games. Without amateurism, the last remaining vestige of chivalrous, fair, and clean sport is the IOC's rigorous drug testing of athletes.

European football, once the prime example of the club system, is changing, too. It looks more and more like the league structure described later in this chapter. A major change occurred in 1995 when the European Court of Justice ruled in favor of Jean-Marc Bosman, a professional player who argued that his Belgian team was restraining free trade when it refused to grant him a transfer to another club. This opened up the market for the movement of talented soccer players. Now elite European club teams such as Manchester United, Real Madrid, and Olympiakos are increasingly controlled by wealthy individuals, pay handsome salaries for the best players, and operate like entertainment/sport businesses (King, 1997).

Clubs are also no longer local in nature. Today's large clubs feature players from all over the world. For example, in the 2010 World Cup, members of the French soccer team played for

clubs in a number of different countries, not just clubs in France. A look at the roster of the Real Madrid team lists players from not only Spain but also Brazil, Germany, and Argentina.

The emerging European sport management system has its roots in the U.S. professional sport league system that appeared in the nineteenth century. The league system in the United States developed when the English club system proved poorly suited to the economic and cultural atmosphere of nineteenth-century United States.

### Sport Structures in the United States: Sport Clubs Adapt to a Different Culture



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In the early 1800s, upper-class sports enthusiasts in the United States attempted to develop sports along the lines of the English club system but had only limited success. The wealthy elite formed clubs throughout the nineteenth century, complete with volunteer management, but these clubs were not able to establish a place in U.S. culture the way clubs had in England and throughout Europe.

Whereas European clubs emphasized sport to attract large and broad memberships, the most prestigious clubs in the United States were primarily social clubs that did not sponsor

sporting events. Athletic clubs, such as the New York Athletic Club, did not gain prestige until late in the century when the profit-oriented league system had already established a foothold in the cultural landscape of the United States (Gorn & Goldstein, 1993).

Nineteenth-century thoroughbred horse racing in the United States, although occasionally wildly popular, repeatedly fell on hard times. One obstacle to the club system in the United States was the country's lack of the aristocratic tradition that had given the club system both its means of support and its legitimacy in Europe. Another was the political power of religious fundamentalism, which periodically limited or prohibited gambling.

Out of the shadow of the struggling thoroughbred horse racing scene, a uniquely American sport developed: harness racing. The league structure, which dominates sport in the United States, grew out of the success and failure of harness racing in the 1830s and 1840s. As such, it is worthwhile understanding this transition between clubs and leagues.

### Harness Racing: The First National Pastime and Professional Sport

Nineteenth-century harness racing was the sport of the common person, an early precursor of stock car racing. In the 1820s, the horse and buggy was not only commonplace, it was the preferred mode of transportation of a growing middle class. Many early harness races took place on hard-packed city streets, and anyone with a horse and buggy could participate. The sport was more inclusive than thoroughbred horse racing. The horses pulling the buggies were of no particular breeding. It was relatively inexpensive to own and maintain a horse, and horses that worked and pulled wagons by day raced in the evening (Adelman, 1986).

As the popularity of informal harness races grew, enterprising racing enthusiasts staged



races on the oval tracks built for thoroughbred racing. Track owners—whose business was suffering—were eager to rent their tracks to harness racers. Promoters began to offer participants purse money raised through modest entry fees and paid track owners rent by charging admission (Adelman, 1986).

The nineteenth-century middle class in the United States, including artisans, shopkeepers, dockworkers, clerks, and the like, was far more likely to participate in this sport than were wealthy merchants. Because harness racing lacked the elitist tradition of horse racing, the public believed the sport was its own and was more willing to pay admission to subsidize the events. Promoters counted on spectator interest, and participation grew. By the 1830s, harness racing surpassed thoroughbred racing as the most popular sport in the United States (Adelman, 1986).

Although harness racing was not always as dramatic as thoroughbred racing, it was a better spectator sport. A traditional horse racing event was a 4-mile race. The races were so grueling that horses raced only once or twice a year. Consequently, it was difficult for individual horses to develop a reputation or following among fans. In contrast, harness racing was a sprint. Horses recovered quickly and could compete almost daily. Promoters offered spectators as many as a dozen races in an afternoon. Horses of any breed could race, ensuring a large field of competitors. These dynamics gave the public more races, excitement, and opportunities to gamble (Adelman, 1986).

The management structure of harness racing was also distinct from thoroughbred racing. Track owners and race promoters managed the sport. Unlike members of Jockey Clubs, these entrepreneurs' livelihood depended on gate revenues, and therefore they catered to spectators. Ideally, promoters tried to match the best horses against each other to build spectator interest.

This desire for intense competition, however, created problems for harness racing promoters. Potential contestants often tried to increase their chances of victory by avoiding races with other highly touted trotters. To ensure a high level of competition and "big name" competitors, innovative promoters began to offer the owners of the best and most famous trotters a percentage of the gate (Adelman, 1986).

Unfortunately, this arrangement led some participants and promoters to fix races in an effort to promote and create demand for future races. Highly regarded trotters traded victories in order to maintain spectator interest. Harness races were sometimes choreographed dramas. This practice violated the notion of honesty critical to a sport's success. Once the word got out that some races were fixed, harness racing lost its appeal with the public. Unlike members of the Jockey Club, harness racing promoters and participants lacked the upright reputation to convince the public that their races were legitimate. Ultimately, spectators lost faith in the integrity of the sport, and the race promoters, no matter how honest, lacked the legitimacy to convince the public otherwise. By the start of the Civil War, harness racing had lost its appeal and its audience (Adelman, 1986).

## Leagues

Harness racing's popularity and commercial promise led sport enthusiasts and managers to further refine and develop a sport management system that would work in the United States. The result was the profit-oriented league, which baseball organizers pioneered in the 1870s. Baseball was the first sport to successfully employ the league structure.

### William Hulbert's National League

At first, baseball was organized according to the club system. Club leaders organized practices, rented field time, and invited other clubs to

meet and play. Loosely organized leagues formed, encouraged parity of competition, and regulated competition between social equals. For example, the famous early team known as the Knickerbockers played games in Hoboken, New Jersey, to ensure they competed only against upper-class teams who could afford the ferry ride over and back from New York.

Only the best teams, such as the Cincinnati Red Stockings of 1869–1870, were able to sustain fan interest. This Cincinnati team of 1869 was the first openly all-professional team. The Red Stockings' road trips to play Eastern teams drew thousands of fans and earned enough to pay the team's travel expenses and player salaries. Then after two seasons of flawless play, the team lost three games at the end of the 1870 season. Despite the Red Stockings' impressive record, they were no longer considered champions, and their popularity fell along with revenue. The team disbanded prior to the next season (Seymour, 1960).

In the late 1860s and early 1870s, a rift developed along social/class lines. Teams that paid their players a salary were in conflict with teams that did not. The business elite in local communities managed both types of clubs, but there were subtle and growing class and ethnic differences among the participants.

In 1871, a group of professional baseball teams formed the **National Association of Professional Baseball Players** and split off from the amateur club system. Any club willing to pay its elite players could join. The league, like other club sports, still depended on the patronage of its well-off members and consequently lacked stability. Members managed and participated in sporting activities haphazardly, and the break-even financial interests of individual clubs carried more authority than any association of clubs. It was common for teams to form, fall apart, and re-form within a season (Adelman, 1986; Leifer, 1995; Seymour, 1960).

In 1876, **William Hulbert** took over management of the National Association and renamed the body the **National League of Professional Baseball Players**. Hulbert became known as the “Czar of Baseball” for his strong leadership of the game and his role as a major figure in the development of sport management in the United States. He believed baseball teams would become stable only if they were owned and run like businesses. Teams, like other firms, should compete against one another and not collude (secretly work together), as was the case in harness racing. Hulbert called the owners of the best baseball clubs in the National Association to a meeting in New York City. When they emerged from the meeting, the groundwork had been laid for the new National League of Professional Baseball Players. The initial members of the league were from Boston, Chicago, Cincinnati, Hartford, Louisville, New York, Philadelphia, and St. Louis (Abrams, 1998).

Hulbert also understood that unless there were strict rules to ensure honest competition, baseball team owners would be tempted by collusion. For the National League to succeed, authority needed to rest with the league, not with a loose association of teams. Hulbert revamped the management of baseball to center on a league structure and created strong rules to enforce teams' allegiance (Leifer, 1995; Seymour, 1960).

Learning from earlier experiences of owners and supporters abandoning a team or season when it began to lose money, Hulbert structured the National League to force team owners to take a financial risk. Previously, teams had simply stopped playing when they began to lose money, much like a Broadway show. Hulbert understood how ending a season early to decrease short-term costs eroded the long-term faith of the public. In Hulbert's league, teams were expected to complete their schedules regardless of profit or loss.

Tying owners to a schedule resulted in costs from fielding a bad team and benefits from having a competitive team. Hulbert understood fans would see that teams were in earnest competition with one another. The public would have faith that owners needing to field a winning team in order to increase their profits would put forth an honest effort.

Hulbert established the league's credibility by strictly enforcing these rules. In the first year of National League play, two struggling teams, Philadelphia and New York, did not play their final series. Even though the games would not have impacted the final standings, Hulbert banned the two teams from the league (Leifer, 1995; Seymour, 1960; Vincent, 1994). The message was clear: The integrity of the league would not be compromised for the short-term financial interests of owners.

Hulbert also understood that the integrity of baseball would become suspect if the public questioned players' honesty. Baseball became popular at the height of the Victorian period in the United States. Large segments of Middle America followed strict cultural conventions. Many followed religious regimes prohibiting gaming and drinking—staples of the sporting subculture. Hulbert needed to create a cultural product that did not offend the sensibilities of the middle and upper classes. To appeal to this large market segment, Hulbert prohibited betting at National League ballparks. He also prohibited playing games on Sunday and selling beer at ballparks. The Cincinnati club objected to the no-liquor rule and was ultimately expelled from the National League (Sports Encyclopedia, 2002). Hulbert tried to clean up the atmosphere at ballparks further by banning “unwholesome groups” and activities from the game. He raised ticket prices to decrease the number of working-class patrons and make the games more appealing to the “better” classes (Abrams, 1998).

Players, many of them working-class immigrants, benefited from the widely held Victorian notion that a strong athletic body signaled an equally strong moral character. The National League owners imposed curfews on their players to maintain a clean image. Hulbert policed the sport with a vengeance. Players caught gambling were banned from the league for life (Leifer, 1995; Seymour, 1960; Vincent, 1994), a rule emphasizing the importance of the appearance of honest effort.

Central to the organization of American Victorian culture were notions of biological distinctions among ethnic and racial groups. The National League, not surprisingly, prohibited African Americans from participating. Although other major and minor leagues had blacks on their rosters in the mid- to late-1880s, by 1888 the ban would extend to all white baseball leagues.

Once the league established a solid structure and the appearance of honest play, Hulbert still needed to create a market for the game. It was relatively easy to attract spectators to championships and other big games between rival clubs, but team owners needed to find a way to attract audiences to regular season games. Hulbert's dilemma was complicated by the fact that many of the independent clubs (not affiliated with his league) fielded superior teams. In the late 1870s, National League teams lost more often than they won in non-League play (Leifer, 1995).

Hulbert's solution was to create the pennant race, a revolutionary idea in 1876. The success of the National League depended on spectators viewing baseball as a series of games and not a single event. A genuine pennant race requires fairly even competition. In other words, for the league to be a successful business, even the best teams had to lose a substantial portion of their games (Leifer, 1995).

League rules were designed to cultivate pennant fever. Hulbert kept his league small by

limiting it to eight teams. A team was either in the league or not. Although local rivalries had been important in the past, Hulbert's league limited membership. As such, the National League was small enough to ensure that no team was so far out of first place that winning the pennant seemed impossible.

Other innovations that Hulbert brought to the sport significantly influenced the history and development of sport management. For example, to protect their teams from being raided by other National League teams during the season, owners agreed to respect each other's contracts with players for one year. Other leagues could pay the National League a fee to participate in this "reservation" system and protect themselves from raids by National League teams. The practice not only helped distribute talent more evenly but also kept player salaries down. This practice eventually developed into the "reserve system," which included a "reserve clause" in player contracts and a "reserve list" of protected players on each team roster. These rules also limited the movement of players, enhancing the sense of a local team and, thus, fan loyalty.

The league structure enjoyed a significant boost from newspapers, another rapidly expanding U.S. institution. Although the initial response to the National League by the media was generally unfavorable (Vincent, 1994), newspapers in cities with teams in the League soon warmed to the idea of a pennant race. In the 1870s, most major cities supported a dozen or more newspapers. One effective way to attract readers was to cover local sporting events. Newspapers played up the concept of the hometown team in a pennant race to hold the attention of sports fans between games. Reports on injuries, other teams' records, players' attitudes, and coaching strategies were given considerable coverage before and after games. Presenting baseball in terms of an ongoing

pennant race sold newspapers and underscored Hulbert's desire to promote continuing attention to and attendance at regular season games (White, 1996).



Courtesy of Arthur Rothstein, 1915, Office of War Information, Overseas Picture Division, Library of Congress

The National League also appealed to fans' loyalty and pride in their towns and cities. League rules prohibited placing more than one National League team in or near any current National League city and prohibited teams from playing non-League teams within the same territory as a National League team (Seymour, 1960). The prohibition required discipline on the part of team owners because non-League games, especially against local non-League rivals, generated strong short-term profits. By avoiding "independent" clubs in National League cities, the League promoted the notion that National League teams represented the community exclusively. Independent teams, languishing from this National League prohibition, moved on to non-League cities, and spectators increasingly identified the National League teams with their cities (Leifer, 1995). The notion of a team's "territory" persists in the management of major and minor league baseball as well as in all other league sports (e.g., the National Basketball Association, National Football League, National Hockey League).



National League teams participated in an early form of revenue sharing. Home teams were required to share their gate revenues with the visiting team. This practice allowed even the least talented teams to draw revenue when they played away from home. Gate sharing redistributed wealth around the National League, enabling teams to compete financially for players (Leifer, 1995).

### Leagues Today

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The National League's successful strategy seems fairly straightforward when compared with the business strategies used by today's professional sports leagues that take into account naming rights, licensing agreements, and league-wide television deals. But successful contemporary commercial sports leagues still depend on consolidated league play with strong centralized control and regulation. League play is in large part designed to encourage the fans' faith that teams operate on an equal footing, both on the field and off, and that owners, managers, and players are putting forth an honest effort.

The audience has changed over time, however. The need to see teams as independent firms has faded. Recent start-up leagues such as the Women's National Basketball Association (WNBA) and Major League Soccer (MLS) have experimented with a single-entity structure, in which each team is owned and operated by the league, although the WNBA has since moved away from this model. The public's perception of locus of honest effort resides more with the players than it does with the ownership structure.

Not all professional sports are organized in the league structure. Sports such as golf or tennis developed and continue to operate today using a different organizational structure. Sometimes referred to as professional tournament sports, the next section chronicles their development.

## Professional Tournament Sports: Mixing Business and Charity

Professional tournament sports such as tennis and golf have their roots in the club system. Private clubs sponsored early tournaments for the benefit of their membership. By the turn of the century, professionals—usually club employees who taught club members the game—were often excluded from club tournaments. Without wealthy patrons' sponsorship of tournaments, professional athletes in some sports needed alternative financial support if they were going to compete. This was the case with golf.

### Professional Golf

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Many early golf professionals were European men brought to the United States by country clubs to help design, build, and care for golf courses and teach the finer points of the game to club members. By its very nature, golf was an exclusive game, one that catered to upper-class white males. Although these golfers were technically professionals, they were much different from the tournament professionals of the contemporary Ladies Professional Golf Association (LPGA) and Professional Golfers' Association (PGA). The early golf professionals were club instructors and caddies. They made extra money by giving exhibitions. Golf manufacturers hired the best-known professionals as representatives to help publicize the game and their brands of clubs at exhibitions and clinics.

Numerous attempts were made to organize golf leagues prior to the 1930s, but professional leagues failed to capture public interest or attract golf professionals. Professionals shunned these risky tournaments in favor of the stability of exhibitions and clinics, and when they competed they vied for prize money they had put up themselves. Professional tournaments did not

stabilize until the professionals found someone else—in the form of community and corporate sponsors—to put up the prize money.

One entrepreneurial type of tournament, which ultimately failed, was an attempt to generate a profit from gate revenues for country club owners. In the first half of the twentieth century, spectator attendance was the primary revenue stream for most sports. Following the proven approach of boxing promoters and baseball owners, individual country club owners produced golf events themselves, selling tickets to the events and operating concessions.

The failure of the privately owned tournaments to catch on is the result of how the sport developed in the United States. Individually owned golf courses were rare. Clubs were either member owned or public courses. Even if there were a consortium of course owners, as was the case in baseball, they did not control the athletes. Golfers operated independently. The players did not need teams, managers, or promoters, and therefore they were difficult to control.

### Corcoran's Tournaments

**Fred Corcoran**, the architect of the professional golf tournament, understood the unique qualities of golf. Golf, he wrote, “operates upside down” in comparison to other sports. “The players have to pay to tee off, and they use facilities constructed for the use of the amateur owners who, occasionally, agree to open the gates” to professionals (Corcoran, 1965, p. 246).

To manage this “upside down” sport, Corcoran took his lead from Hollywood and advertising executives. Corcoran used athletes and golf tournaments the same way newspapers used news—to sell advertising space to the public. Corcoran never promoted golf strictly as entertainment. The golf tournament, for Corcoran, was the medium through which a celebrity, a local politician, a manufacturer, a charity, a town, or a product gained exposure.

He sold the event. As a result, the contemporary professional tournament, unlike other sports operating 50 years ago, was less dependent on ticket sales and more dependent on sponsorship from community groups and corporations.

In 1937, a consortium of golf manufacturers hired Fred Corcoran as tournament director for the men's PGA circuit. He served in that capacity for more than a decade, making arrangements with public and private clubs to host professional tournaments. Then, in 1949, the golf equipment manufacturers hired him again to organize the women's tour (Corcoran, 1965; Hicks, 1956). Corcoran organized the players into associations with rules governing play and eligibility. In essence, the players governed themselves.

One of Corcoran's first contributions to the professional golf tour was the creation of the financially self-sufficient tournament. Prior to 1937, the PGA, through entry fees, had guaranteed to pay the players' purse to entice communities to sponsor tournaments. Corcoran, who had spent a decade organizing amateur tournaments in Massachusetts, understood the potential revenue a tournament could produce for a community. Corcoran was able to convince communities to take responsibility for providing the purse by demonstrating how the revenue generated by 70 professional golfers eating in restaurants and sleeping in hotels would be three times greater than the minimum \$3,000 purse (Corcoran, 1965).

Corcoran enhanced the tremendous growth in competitive golf by sharing status with celebrities like Bing Crosby. In addition to being a famous movie star and singer, Crosby was a sports entrepreneur associated with horse racing and golf. In 1934, Crosby orchestrated the first celebrity professional and amateur (pro-am) tournament preceding a men's golf tournament to raise money for charity. The combination of a celebrity and a pro playing

together on a team in a mock tournament was extremely successful. Amateur golfers, celebrities, and community leaders paid exorbitant fees to participate. Although these funds were directed toward charity, there were also spin-off professional golf benefits. The appearance of celebrities not only enhanced the athletes' status but also increased attendance, thereby increasing the proceeds for charity and the exposure for professional golf. The celebrity pro-am has been the financial core around which most professional golf tournaments have been built (Graffis, 1975).

The financial power of this type of charity event became clear during World War II. During the war, golf was used to raise money for the Red Cross. Using a celebrity pro-am format, Bing Crosby teamed up with movie costar Bob Hope, professional golfers, and various other celebrities, including Fred Corcoran, to raise millions of dollars for the war effort and the Red Cross (Graffis, 1975). At the end of the war, Corcoran stayed with the pro-am tournament format, using civic pride and charities such as hospitals and youth programs to draw crowds.

Tying professional golf to charity was good business in addition to being good for the community. Donations to charitable organizations were fully tax deductible. Local businesspeople not likely to benefit directly from a golf tournament were more easily persuaded to contribute to the tournaments with tax deductions as incentives. In addition, a good charity attracted the hundreds of volunteers and essential in-kind donations needed to run a tournament. Further, a charity with broad reach and many volunteers acted as a promotional vehicle for the tournament. Thus, Corcoran transformed a potentially costly, labor-intensive event into a no-cost operation. By appealing to the altruism of a community to host a tournament, Corcoran obtained a tournament site, capital, and event management for no cost.

A consortium of golf equipment manufacturers paid Corcoran's salary to organize the golfers into an association and to help arrange tournaments. Golf manufacturers understood that the cost of retaining player representatives could be reduced by putting a solid tournament circuit in place. Manufacturers could retain player representatives at a fraction of the cost and increase players' values as marketing tools. The better players earned their salaries through prize money. The cost of sponsoring a player on tour was far less than hiring a player full-time as a representative and paying expenses.

It was clear to Corcoran that if manufacturers could use their association with tournaments to sell golf products, then celebrities could use it to add to their status, and local community groups could use it to raise funds or gain political influence. Tournaments could also be sold as an advertising medium for non-golf-related merchandise. As tournament director of the PGA and the LPGA, Corcoran orchestrated the first non-golf-related corporate sponsorship of professional golf tournaments. Corcoran arranged for Palm Beach Clothing to sponsor men's tournaments. A few years later he orchestrated a transcontinental series of women's tournaments sponsored by Weather-vane Ladies Sports Apparel (Corcoran, 1965).

Corcoran's adaptation of Crosby's celebrity tournaments to tournaments funded by advertising for clothing foreshadowed the immense corporate involvement in contemporary professional tournaments. Still, professional golf was not able to take full advantage of corporate interest in athletes until the late 1950s. Until that time, the major media wire services, Associated Press and United Press International, followed a policy of using the name of the city or town to distinguish a tournament. They argued that using the name of the corporate sponsor was a cheap way to avoid paying for newspaper advertising. In the late 1950s,

the newspaper industry reversed its policy and agreed to call tournaments by the name of their corporate sponsors. By sponsoring a national sporting event, a corporation gained tax-free exposure to a target market in the name of charity (Graffis, 1975). In the end, professional golf, charities, and corporations all benefited from this arrangement.

### **Tournaments Today**

Variations of the tournament structure just described can be found today in golf, tennis, track and field, and in multisport events such as triathlons and the Olympic and Paralympic Games. Like Corcoran, today's tour promoters do not sell the event solely as entertainment. Instead, they promote tournaments as a medium through which a person, community, or corporation can buy exposure. Gallery seats, pro-am tournaments, and the pre- and post-tournament festivities are the foci of interaction, access to which can be sold. Although communities, politicians, and radio and movie personalities have found tournaments a worthwhile investment, the corporate community has benefited the most handsomely. The golf tournament has evolved into a corporate celebration of itself and its products (Crosset, 1995).

Associations such as the PGA have been viewed as private groups. They set the rules of eligibility. However, challenges to that idea, as seen with Casey Martin's successful attempt to have the PGA accommodate his disability, suggest that these associations cannot be as exclusive as private clubs. In Casey Martin's case, he used the fact that Qualifying School (Q-School) was open to the public as a means of applying the Americans with Disabilities Act public accommodation provisions to force the PGA to allow him to compete using a cart.

In another trend that is pushing tournament management away from nonprofit private

associations, today's tournaments are just as likely to be created by marketing agencies or broadcast media as by player associations. For example, the X-Games and the Alli Dew Tour are the products of corporations. The X-Games are owned by ESPN, which is a subsidiary of the Disney Corporation. The Alli Dew Tour is a division of NBC Sports. It is not yet clear how corporate-owned tournaments will affect older associations or if "made-for-TV" tournaments will be able to sustain their legitimacy with the public. However, a decade into the X-Games and Dew Tour type tours, the public still seems willing to follow them.

The first section of this chapter focused mainly on the historical aspects of professional sports, particularly teams and leagues. Most certainly the sport industry includes many more segments other than these two. This fact becomes obvious simply by looking at the broad range of chapters in this introductory text. Many of the basic tenets covered in this chapter are applicable across other segments as well. To learn more about the historical developments in segments such as intercollegiate athletics, high school and youth sport, recreational sport, and many more areas, the reader can turn to the chapters designed to cover those specific industry segments in-depth. Each chapter has a section devoted to the important historical events for that industry segment.

## **Women in Sport Management**

A text such as this brings together information across different sport industry segments so that the reader is exposed to as broad a landscape of the industry as possible. However, as is the case with many disciplines, parts of the history and the names of some important contributors are sometimes overlooked. Female sport managers have contributed to the growth of the sport industry as a whole, yet all too often their

contributions as sport leaders are not formally recognized (Hums & Yiamouyiannis, 2007). This section introduces a selection of these women and their contributions.

Perhaps the first female sport managers lived in the time of the ancient Olympic Games. While we know women were not allowed to participate in those early Games, because participation was limited to free, able-bodied, Greek male citizens, this does not mean no competitions for women existed. As a matter of fact, around the same time period of the ancient Olympic Games, a competition was held for women known as the Heraea Games. These Games, which also took place at the grounds of Olympia but not at the same time as the Olympic Games, consisted of footraces for unmarried girls. The event was organized by a group known as the Sixteen Women. These women, who were considered respected elders of their communities, gathered from nearby locations every four years to administer the Games (Hums, 2010). After the Heraea Games were discontinued, centuries passed before women again organized such events.

Effa Manley was one of the first significant modern female sport managers (O'Connor-McDonogh, 2007). As co-owner of the Newark Eagles in the Negro Baseball League, Manley was responsible for the day-to-day operations of the ball club and was active in league management (Berlage, 1994). For her contributions to professional baseball, in 2006 Manley became the first woman elected to the Baseball Hall of Fame in Cooperstown, New York (MacNeil Lehrer Productions, 2006). She most certainly paved the way for women such as Kim Ng, Senior Vice President of Major League Baseball (MLB), the only woman to have interviewed for a General Manager (GM) position with an MLB team. Ng is paving the way for others. Prior to working for MLB, Ng was Assistant General Manager of the Los Angeles Dodgers and also

Assistant General Manager of the New York Yankees. At the Yankees, she was succeeded by Jean Afterman, a former player agent who is now the Yankees' Assistant General Manager and Senior Vice President.

Today other women hold high executive positions in North American professional leagues, including Heidi Ueberroth, the President of NBA International; Rita Benson LeBlanc, owner/Vice Chair of the Board of the New Orleans Saints; and Jeanie Buss, Executive Vice President of the Los Angeles Lakers. As with many men in the sports business, lineage or marriage often plays a role in getting to the top. Five of *Forbes'* top 10 women in sports business were in the business through heritage or marriage (Van Riper, 2009).

No writing on women in sport would be complete without including the contributions made by women's tennis superstar Billie Jean King. While perhaps best remembered for her victory over Bobby Riggs in the 1973 "Battle of the Sexes," King also established the Women's Tennis Association and was a founder of *WomenSports* magazine, World Team Tennis, and the Women's Sports Foundation, which has done a tremendous amount of work to promote leadership and management opportunities for women in sport (Lough, 2007; Women's Sports Foundation, 2011).

A number of women played important roles in the development of intercollegiate athletics, especially Christine Grant and Judy Sweet. Grant, former Women's Athletic Director at the University of Iowa and former President of the Association for Intercollegiate Athletics for Women (AIAW), championed Title IX and gender equity efforts for female athletes. Sweet was one of the first women to serve as the athletics director of a combined men and women's intercollegiate athletics program in the United States (at University of California–San Diego) and was the first female President of the National

Collegiate Athletic Association (NCAA) (Hums & Yiamouyiannis, 2007).

In terms of recreational sport, three women attended the founding meeting of the National Intramural Association (NIA), with Annette Akins being named Vice President. This organization was the forerunner of the National Intramural and Recreational Sport Association (NIRSA), the primary sport organization in campus recreation. Since then, three other women have served as NIRSA presidents, including Mary Daniels from The Ohio State University and Juliette Moore from the University of Arizona. Moore was the first African American woman to hold that post (Bower, 2007). A number of women have followed in the post as president. In international sport, Anita deFrantz has long been recognized as the most powerful woman in the Olympic Movement by virtue of her tenure as an IOC member and vice president. In the Paralympic Movement, three women currently sit on the International Paralympic Committee (IPC) Governing Board: Ann Cody (United States), Rita van Driel (The Netherlands), and Hyang-Sook Jang (South Korea) (IPC, n.d.).

Finally, other women have contributed to the modern history of the sport industry in terms of sport-related businesses. Some of these women are Lesa France Kennedy, CEO of International Speedway Corporation; Stephanie Tolleson, former Senior Corporate Vice President at International Management Group; Buffy Filipell, founder of TeamWork Online; and Becky Heidesch and Mary Lou Youngblood of Women's Sports Services, which operates two online career placement services accessed by WomenSportsJobs.com and WSSExecutiveSearch.com (Lough, 2007).

The list of names of women who contributed to the modern history of sport management is certainly much longer than this abbreviated introduction suggests. What is important to

note is that these businesswomen, and many others whose names are not listed here, have influenced the sport industry as we know it today.

## **The Birth of Sport Management as an Academic Field**

It is clear that as the sport industry evolved, it increasingly took on the business characteristics of other industries. The early sport managers discussed in this chapter came to their sport management positions with some background in sport or some background in business. Very few brought a combination of the two to the workplace. However, to be a successful sport manager in today's industry, preparation in both sport and business is a necessity. The academic field of sport management began to develop in response to this need. How did this field come into existence, and what makes it unique?

Sport clubs, leagues, and tournaments are three of the more prevalent structures currently used to manage, govern, and organize sport. Management systems, including amateur bodies such as the NCAA and U.S. Track and Field, or professional organizations such as the World Boxing Association and the NBA, employ some variation of these structures to produce sporting events. But contemporary sport management is far more complex than its historical antecedents. Furthermore, the growing popularity of newer and emerging sports such as mixed martial arts, cyber gaming, and base jumping, as well as the increasing power of global media, particularly social media, are encouraging the evolution of new management structures.

The continuing growth of the sport industry and its importance to numerous sponsors and institutions created demand for the systematic study of sport management practices. Since the



late 1960s, the academic field of sport management has focused on the unique issues facing the people who conduct the business of sport.

As the sport management profession began to grow and prosper, it became apparent that although similarities existed between running a general business and running a sport organization, there are also intricacies unique to the sport industry. Early on, sport managers learned from hands-on experiences gained in the industry. As the sport industry became more complex, however, the need to train sport managers in a more formal fashion became apparent. The formal study of sport management emerged from this need.

The concept of a sport management curriculum is generally credited to two people: **James G. Mason**, a physical educator at the University of Miami–Florida, and **Walter O’Malley** of the Brooklyn (now Los Angeles) Dodgers, who discussed the idea in 1957 (Mason, Higgins, & Owen, 1981). The first master’s program in sport management was established at **Ohio University** in 1966 and was based on Mason’s and O’Malley’s ideas (Parkhouse & Pitts, 2001). Shortly after the Ohio University graduate program began, Biscayne College (now St. Thomas University) and St. John’s University founded undergraduate sport management programs (Parkhouse & Pitts, 2001). The University of Massachusetts–Amherst started the second master’s program in 1971.

The number of colleges and universities in the United States offering sport management majors grew rapidly. By 1985, the National Association for Sport and Physical Education (NASPE) indicated there were more than 40 undergraduate programs, 32 graduate programs, and 11 programs at both levels offering sport management degrees. Today, the total number of sport management programs is around 350 (North American Society for Sport Management, 2010c). Just over a dozen

Canadian universities offer programs as well. The growth of sport management as an academic field was prompted by the sport industry’s need for well-trained managers, but it also was influenced by universities’ and colleges’ need to attract students. Some schools wishing to increase enrollments in a highly competitive market added sport management programs to their curricula in the 1980s.

Given the rapid growth of the academic field, concern developed among sport management educators over what constituted a solid sport management curriculum capable of producing students qualified to work as managers in the sport industry. The first group of scholars to examine this issue formed an organization called the Sport Management Arts and Science Society (SMARTS), which was initiated by the faculty at the University of Massachusetts–Amherst. This group laid the groundwork for the present scholarly organization, the **North American Society for Sport Management (NASSM)** (Parkhouse & Pitts, 2001).

The purpose of NASSM is to promote, stimulate, and encourage study, research, scholarly writing, and professional development in the area of sport management, both in the theoretical and applied aspects (NASSM, 2010a). In the past, NASSM and NASPE monitored sport management curricula through the Sport Management Program Review Council (SMPRC). Currently the movement toward program accreditation is under way via the **Commission on Sport Management Accreditation (COSMA)**. COSMA is “a specialized accrediting body whose purpose is to promote and recognize excellence in sport management education in colleges and universities at the baccalaureate and graduate levels through specialized accreditation” (COSMA, 2009, para. 1). The first programs were accredited in 2010.

Sport management professional organizations also exist in a number of nations outside

North America. The recently formed International Sport Management Alliance includes the European Association of Sport Management (EASM), the Sport Management Association of Australia and New Zealand (SMAANZ), the Asian Association for Sport Management, and the Latin American Organization of Sport Management. In addition, the African Sport Management Association (ASMA) has now been established as well (ASMA, 2013). As sport management becomes more global in nature, universities implementing successful country-specific curricula outside North America are producing successful sport managers as well. Universities in Belgium, England, Germany, Greece, Ireland, Spain, and the Netherlands, for example, are preparing future sport managers (NASSM, 2010b). Programs are also thriving in Japan, and the continent of Africa is beginning to open up as well. As the sport industry evolves, sport management curricula will continue to change to meet the needs of this global industry.

## Summary

It is impossible to cover the complex history of sport management thoroughly in one chapter. This chapter discussed the historical origins of three basic sport management structures: clubs, leagues, and tournaments. Sport management structures that developed over the past 150 or so years organized sporting events in different ways to meet the particular needs of participants, spectators, and sponsors at particular points in history. The club structure, the league structure, and the tournament structure each

arose in response to changes in broad social structures and addressed specific issues within a segment of the sport industry. The evolution of each of these three management structures illustrates that managers need to be creative in the ways they manage sports.

Throughout this text there are a number of mentions of some of the innovators and contributors to the management of sport. This includes such historic figures as John Montgomery Ward, Albert Spalding, Judge Kenesaw Mountain Landis, and Marvin Miller in baseball. Other notable sport managers include Peter Ueberroth in the Olympic Games, David Stern in basketball, Pete Rozelle and Paul Tagliabue in football, Gary Bettman in hockey, Roone Arledge in sport broadcasting, and agents C. C. Pyle and Mark McCormack. These people, along with many others, have contributed to making sport one of the most popular forms of entertainment.

The three basic management structures (clubs, leagues, and tournaments) still operate in contemporary sport, but these structures now operate within highly complex organizational systems. As a result, the sport industry demands well-trained managers. Sport management developed as an academic field to meet this demand. To maintain quality control in this fast-emerging field of study, the COSMA curriculum guidelines have been established. As the sport industry continues to evolve globally, the academic field of sport management will evolve as well in order to produce the future leaders in the industry.

## Key Terms

clubs, Commission on Sport Management Accreditation (COSMA), Fred Corcoran, Pierre de Coubertin, William Hulbert, Jockey Club, leagues, James G. Mason, modern Olympic Games, National Association of Professional Baseball Players, North American Society for Sport Management (NASSM), National League of Professional Baseball Players, Ohio University, Walter O'Malley, professional tournaments, sport management structures



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## SPORT MANAGEMENT TIME LINE

BC 776	First ancient Olympic Games
AD 393	Last ancient Olympic Games
1750	Establishment of Jockey Club in Newmarket
1851	First America's Cup (sailing)
1869	Cincinnati Red Stockings become first professional baseball club
1871	National Association of Professional Baseball Players founded
1875	First running of Kentucky Derby (horse racing)
1876	National League of Professional Baseball Players established
1892	Basketball invented
1894	International Olympic Committee founded
1896	First modern Olympic Games in Athens, Greece
1900	Women first compete in Olympic Games
1903	First Tour de France
1904	Fédération Internationale de Football Association (FIFA) founded
1906	Intercollegiate Athletic Association of the United States issues first constitution/bylaws
1910	Intercollegiate Athletic Association of the United States changes name to National Collegiate Athletic Association (NCAA)


**SPORT MANAGEMENT TIME LINE (*continued*)**

1911	First Indianapolis 500
1912	International Association of Athletics Federation (IAAF) began
1916	First Professional Golf Association (PGA) Championship
1917	National Hockey League (NHL) established
1920	National Football League (NFL) began/National Federation of State High School Association (NFSHSA) founded
1924	First Winter Olympic Games in Chamonix, France/International Association of Assembly Managers (IAAM) established
1930	First FIFA World Cup (soccer) in Uruguay/First Commonwealth Games
1933	First NFL Championship
1939	First NCAA basketball tournament/Baseball Hall of Fame inducts first class
1943	First women's professional baseball league (All-American Girls Professional Baseball League)
1946	National Basketball Association (NBA) (originally known as Basketball Association of America) established
1947	Jackie Robinson integrates Major League Baseball
1950	First Formula One Championship (F1)/Ladies Professional Golf Association (LPGA) founded/National Intramural-Recreational Sports Association (NIRSA) began
1951	First Asian Games/Bill Veeck sent Eddie Gaedel up to bat
1959	First Daytona 500
1960	First Paralympic Games in Rome, Italy/Arnold Palmer signed as the International Management Group's (IMG) first client
1961	International Olympic Academy officially inaugurated in Olympia, Greece
1966	Marvin Miller appointed Executive Director of Major League Baseball Players Association (MLBPA)
1967	First Super Bowl
1971	Nike Swoosh designed by Carolyn Davidson
1972	Title IX passed
1974	Women's Sports Foundation founded by Billie Jean King
1975	Arbitrator declares MLB players Andy Messersmith and Dave McNally free agents
1976	First Winter Paralympic Games
1978	First Ironman Triathlon
1982	First NCAA women's basketball tournament
1985	North American Society for Sport Management (NASSM) established/First Air Jordan shoes debut at retail/The Olympic Partner (TOP) Program created
1988	The International Olympic Committee (IOC) decided to make all professional athletes eligible for the Olympics, subject to the approval of the International Federations
1990	Americans with Disabilities Act signed into law
1991	First FIFA Women's World Cup (soccer)
1992	NBA players first played in the Summer Olympic Games

## SPORT MANAGEMENT TIME LINE (*continued*)

1994	NFL salary cap came into effect
1995	European Court of Justice ruled clubs restrained trade opening the transfer market in European football
1996	Women's National Basketball Association (WNBA) founded
1998	NHL players first competed in the Winter Olympic Games/first Bowl Championship Series (BCS) games played
1999	World Anti-Doping Agency established
2001	Beijing, China awarded Olympic and Paralympic Games for 2008/U.S. Supreme Court ruled golfer Casey Martin allowed to use a cart in PGA events
2003	Nike acquires Converse
2004	William Perez succeeds Phil Knight as President and CEO of Nike/Athens Organizing Committee (ATHOC) becomes first Organizing Committee for the Olympic Games to jointly manage both Summer Olympic and Paralympic Games/Nextel takes over sponsorship of NASCAR's Winston Cup
2005	Adidas acquires Reebok/NHL labor problems cause first postponement of an entire major professional league season/NHL suspends operations for 2004–2005 season/MLB Players Association and owners announce new drug testing agreement including suspensions and release of player names/United Nations designates 2005 as the International Year of Sport and Physical Education
2006	Germany hosts successful World Cup, featuring a "Say No to Racism" campaign
2007	Barry Bonds becomes new MLB home run king amid steroid allegations
2008	Beijing, China hosts the Summer Olympic Games/Arena Football League announces cancellation of 2009 season/Final year for Yankee Stadium
2009	Rio de Janeiro, Brazil awarded 2016 Summer Olympic Games, marking the first time the Games will be held in South America
2010	NCAA conference realignment: Big 10, Big 12, and Pac-10/South Africa hosts first World Cup on African continent
2011	Former Pennsylvania State University Assistant Football Coach Jerry Sandusky child abuse scandal comes to light
2012	London Olympic Games marked the first Games where every competing nation was represented by at least one female athlete/Lance Armstrong's seven Tour de France victories erased amid doping scandal
2014	The IOC and United Nations sign historic agreement aimed at strengthening collaboration between the two organizations on the highest level





# Chapter 2

Carol A. Barr and  
Mary A. Hums

## Management Principles Applied to Sport Management

### Learning Objectives

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Upon completion of this chapter, students should be able to:

1. Demonstrate how knowledge of basic management skills is critical to the success of a sport organization.
2. Assess the role that people play in the success of a sport organization.
3. Compare and contrast the historical phases of management theory from scientific management to the human relations movement through organizational behavior.
4. Differentiate between the four functional areas of management: Planning, organizing, leading, and evaluating.
5. Demonstrate understanding of the basic management skills needed to be a successful sport manager include communicating verbally and in writing, managing diversity, managing technology, making decisions, understanding organizational politics, managing change, motivating employees, and taking initiative.
6. Develop a plan to stay abreast of trends occurring in the sport industry that are of concern to managers such as workplace diversity, emerging technologies, and issues unique to international sport management.
7. Assess new and emerging theories of management such as empowerment and emotional intelligence.
8. Analyze the role that social responsibility plays in the management of sport organizations.

## Introduction

It has been said that sport today is too much of a game to be a business and too much of a business to be a game. The sport industry in the United States is growing at an incredible rate. Current estimates by *Forbes* magazine of the value of individual professional team sport franchises list the average National Football League (NFL) team's value at \$1.1 billion (Ozanian, Badenhausen & Settimi, 2012a), the average National Basketball Association (NBA) franchise at \$509 million (Badenhausen, Ozanian, & Settimi, 2013), the average Major League Baseball (MLB) franchise at \$605 million (Ozanian, Badenhausen, & Settimi, 2012c), and the average National Hockey League (NHL) franchise at \$282 million (Ozanian, Badenhausen, & Settimi, 2012b). Total annual licensed-product sales in the United States and Canada for major sport properties were as follows: NFL, \$3 billion; MLB, \$3.1 billion; NBA, \$2 billion; NHL, \$887 million; National Association of Stock Car Auto Racing (NASCAR), \$887 million; and Major League Soccer (MLS), \$394 million (EPM Communications, 2012). College-licensed merchandise for 2011–2012 was estimated at \$4.6 billion (Collegiate Licensing Company, 2012). In 2010, the National Collegiate Athletic Association (NCAA) reached a 14-year, nearly \$11 billion agreement with CBS and Turner Sports for television rights to the 68-team NCAA men's basketball tournament (an increase of three teams from the previous year's 65-team tournament) (Wieberg & Hiestand, 2010). In 2012, MLB signed a new broadcasting contract with ESPN and TBS for \$12.4 billion over 8 years, an average of \$52 million each year to all 30 teams (Ozanian et al., 2012b). The U.S. health and sports club industry reported a 2011 total annual dollar volume of \$21.4 billion (International Health, Racquet and Sportsclub Association, 2012). As the sport industry has

grown, there has been a shift in focus toward a more profit-oriented approach to doing business (Hums, Barr, & Gullion, 1999).

While keeping the financial scope of the sport industry in mind, it is important to note that in whatever segment of the sport industry they work, sport managers need to be able to organize and work with the most important asset in their organization: people. This chapter on management will help the future sport manager recognize how essential utilization of this most important asset is critical to the success of a sport organization. Every sport manager needs to understand the basics of being a manager in the twenty-first century. A manager in a sport organization can go by many different titles: athletic director, general manager, director of marketing, coach, health club manager, ski resort operator, social media manager, and so on. The purpose of this chapter is to introduce the reader to basic management knowledge areas and skills that sport managers can apply in any segment of the industry.

## Definition and History of Management Principles

Management has been defined in a number of different ways, but common elements of these various definitions include (1) goals/objectives to be achieved (2) with limited resources and (3) with and through people (Chelladurai, 2009). The goal of managerial work and the role the manager plays within an organization is to get workers to do what the manager wants them to do in an efficient and cost-effective manner. The management process includes knowledge areas such as planning, organizing, leading, and evaluating. These knowledge areas are discussed in the next section of this chapter.

The development of management theory has gone through a number of distinct phases. Two of the earlier phases were scientific management and the human relations movement. Frederick

Taylor was one of the first true pioneers of management theory. The publication of Taylor's 1911 book, *The Principles of Scientific Management*, laid the foundation for the **scientific management** movement (sometimes referred to today as "Taylorism") in the early 1900s (Taylor, 2002). Taylor worked as an industrial engineer at a steel company and was concerned with the way workers performed their jobs. Taylor believed that through scientific study of the specific motions that make up a total job, a more rational and efficient method of performing that job could be developed. In other words, workers should not be doing the same job in different ways because there exists one "best way" to perform a job efficiently. In Taylor's view, the manager could get workers to perform the job this "best way" by enticing them with economic rewards.

The second major phase in management theory is known as the **human relations movement**. From 1927 to 1932, Elton Mayo was part of the team that conducted the Hawthorne studies at Western Electric's Chicago plant. In the Hawthorne studies, the workers' motivations were studied by examining how changes in working conditions affected output. Mayo found that social factors in the workplace were important, and job satisfaction and output depended more on cooperation and a feeling of worth than on physical working conditions (Mayo, 2002). The human relations movement was also popularized by the work and writings of Mary Parker Follett. Follett was a pioneer as a female management consultant in the male-dominated industrial world of the 1920s. Follett saw workers as complex combinations of attitudes, beliefs, and needs. She believed that effective motivational management existed in partnership and cooperation and that the ability to persuade people was far more beneficial to everyone than hierarchical control and competition (Follett, 2002). The human relations

movement was significant in that it transformed the focus of management thinking onto the behavior of people and the human components in the workplace rather than the scientific approach to performing a task.

Today, it is common to view the study of human behavior within organizations as a combination of the scientific management and human relations approaches. **Organizational behavior** is characteristic of the modern approach to management. The field of organizational behavior is involved with the study and application of the human side of management and organizations (Luthans, 2005). Organizations have undergone numerous changes over the past decades, including downsizing to address economic recessions, globalization, installation and use of information technology, and an increasingly diverse workforce. Managers have been preoccupied with restructuring their organizations to improve productivity and meet the competitive challenges created by organizational changes. Through all the organizational changes and evolution of management thought and practices, one thing remains clear: The lasting competitive advantage within organizations comes through human resources and how they are managed (Luthans, 2005). Current management theory stresses the concepts of employee involvement, employee empowerment, and managers' concern with the human component of employees. Topics explored within organizational behavior research include communication, decision making, leadership, and motivation, among others. However, the essence of organizations is productivity, and thus managers need to be concerned with getting the job done.

In looking at the study of management theory, it is evident that the approaches to management have moved from the simple to the complex, from a job orientation to a people (worker) orientation, from the manager as a

dictator and giver of orders to the manager as a facilitator and team member. Human beings, though, are complex and sometimes illogical, and therefore no single method of management can guarantee success. Take, for example, successful basketball coaches Bobby Knight and Phil Jackson. Both amassed wins and championships, yet they each used uniquely different management styles! The role of managers can be challenging as they try to assess the needs of their employees and utilize appropriate skills to meet these needs while also getting the job done.



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## Functional Areas

Sport managers must perform in a number of functional areas and execute various activities in fulfilling the demands of their jobs. Some of the functional areas used to describe what managers do include planning, organizing, leading, and evaluating (Chelladurai, 2009). Although these functional areas may be helpful in providing a general idea about what a manager does, these terms and their descriptions do not provide a comprehensive list. Organizations are constantly evolving, as are managers and the activities they perform. The functional areas emphasized here describe an overall picture of what a manager does, but keep in mind it is impossible to reduce a manager's activities to the level of a robot following a set pattern of activities.

## Planning

The **planning** function includes defining organizational goals and determining the appropriate means by which to achieve these desired goals (Gibson, 2006). Planning involves setting a course of action for the sport organization (VanderZwaag, 1998). Based on VanderZwaag's (1984) model, Hums and MacLean (2013) define the planning process as establishing organizational vision statements, mission statements, goals, objectives, tactics, roles, and evaluation. It is important to keep in mind that the planning process is continuous. Organizational plans should change and evolve—they should not be viewed as set in stone. In case of problems or if situations arise that cause organizational goals to change, the sport manager must be ready to adjust or change the organization's plans to make them more appropriate for what the organization is trying to accomplish.

The planning process consists of both short- and long-term planning. Short-term planning involves goals the organization wants to accomplish soon, say within the next couple of months to a year. For example, an athletic shoe company may want to order enough inventory of a particular type of shoe so that its sales representatives can stock the vendors with enough shoes to meet consumer demands for the upcoming year. Long-term planning involves goals the organization may want to try to reach over a longer period of time, perhaps 5 to 10 years into the future. That same shoe company may have long-term goals of becoming the number one athletic shoe company in the nation within 5 years, so the company's long-term planning will include activities the company will participate in to try to reach that goal. Managers must participate in both short- and long-term planning.

The planning process also includes ongoing and unique plans. An example of an ongoing plan would be a parking lot plan for parking at every university home football game. A unique



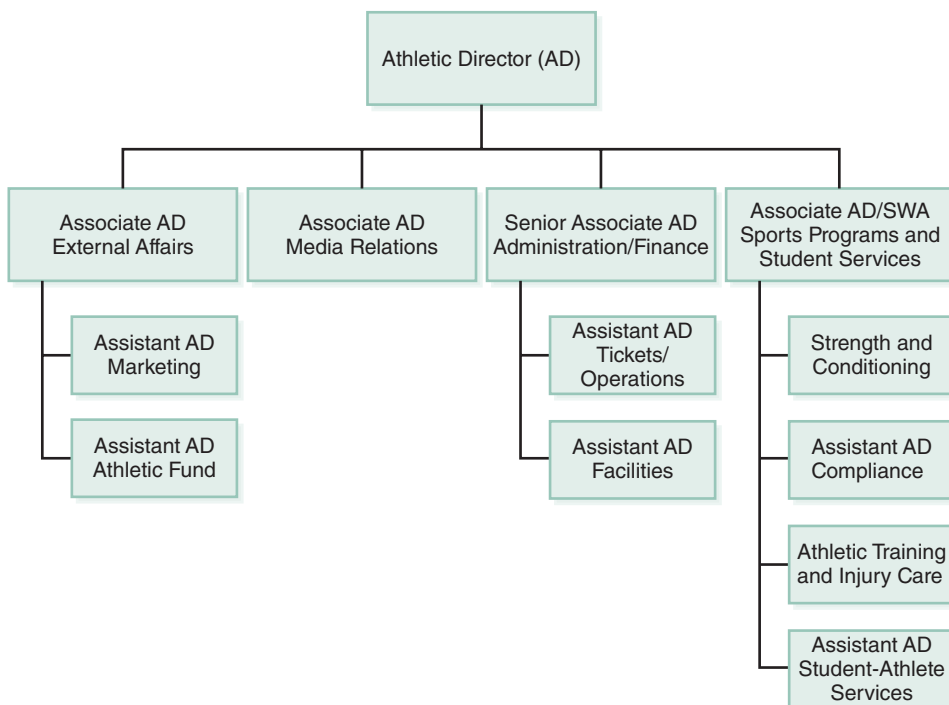
plan might involve use of that same parking lot as a staging area for emergency vehicles if the city were hit by an unexpected natural disaster such as a flood or tornado.

## Organizing

After planning, the sport manager next undertakes the **organizing** function. The organizing function is concerned with putting plans into action. As part of the organizing function, the manager determines what types of jobs need to be performed and who will be responsible for doing these jobs.

When determining what types of jobs need to be performed, an organizational chart is developed (**Figure 2-1**). It shows the various positions within an organization as well as the reporting schemes for these positions. In

addition, an organizational chart may contain information about the people filling the various positions. After an organizational chart has been put together, the next step is to develop position descriptions for the various positions within the chart. These descriptions are important in defining the tasks and responsibilities for each position; they also indicate the authority accompanying each position. For example, the position description of the Assistant Athletic Director for Marketing may include soliciting corporate sponsors, promoting teams or special events, overseeing the department's social media program, and selling stadium signage. Finally, position qualifications must be developed. Position qualifications define what is needed in the person filling a particular position. They will depend on the organizational



**Figure 2-1** Athletic Department Organizational Chart

chart, the responsibilities of a particular position, and the authority given to a particular position. Thus, the position qualifications for the Assistant Athletic Director for Marketing may include a master's degree, 3 to 5 years of athletic department experience, and good written and oral communication skills.

The need for a well-developed and well-communicated organizational chart cannot be overemphasized. On numerous occasions, organizations may find that problems occur because one person does not know what another person in the organization is doing. The organizational chart can be extremely beneficial in showing employees the various positions within the organization, who fills those positions, the responsibilities of each position, and who reports to whom. Once the organizational chart has been developed and the position qualifications established, staffing can take place.

Staffing determines who will be responsible for the jobs in the organizational chart. Staffing involves the effective recruitment and selection of people to fill the positions within an organization. The position qualifications developed during the organizing function come into play here. Recruiting and selecting an employee means finding the right person, with the appropriate qualifications, to get the job done. To find that person, managers must do their homework and go through the proper steps to really get to know and understand the people they interview. These steps include appropriate advertising of the position, reviewing completed applications, choosing qualified people for the interview process, checking references, and selecting the "best fit" person for the job.

In addition to the selection process, staffing includes the orientation, training, and professional development of staff members (Quarterman & Li, 1998; VanderZwaag, 1984). Orientation introduces a new person to the nature of the organization, to organizational

goals and policies, and to his or her fellow employees. Training focuses on the actual job and teaching an employee how to do it. For example, new ushers may be involved in a half-day training seminar to learn about seating arrangements, locations of first aid stations and uniformed security, and procedures for checking in and out of work. Professional development involves a commitment to improving employees' knowledge, skills, and attitudes, allowing them the opportunity to grow and become better employees. Sending athletic department employees to a week-long seminar on using social media is one example of how professional development can occur. Unfortunately, many sport managers are so busy trying to do the day-to-day work that they ignore the development of their employees. Professional development can help lead to more efficient and productive workers.

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## Leading

The **leading** function has often been referred to as the "action" part of the management process. This is where it all happens. The sport manager is involved in directing the activities of employees as he or she attempts to accomplish organizational goals. In carrying out the leading function, the manager participates in a variety of activities including delegating, managing conflict, managing change, and motivating employees. In carrying out these activities, the manager utilizes numerous skills, which are discussed in the next section of this chapter.

The leading function begins with the process of **delegation**, which involves assigning responsibility and accountability for results to employees. Effective communication is critical to the delegation process. Employees need to know what they are being asked to do, need to be assigned the appropriate authority to get the job done, and need to know how they will be

evaluated for carrying out the assigned tasks. The importance of delegation cannot be overstated, yet it is one of the most difficult skills for new managers to acquire. One's first inclination is simply to "do it myself" so that a task will get accomplished the way the individual manager wants. Realistically, it is impossible for one person to do everything. Could you imagine if the general manager of an MLB team tried to do everything? In addition to making personnel decisions and negotiating contracts, the person would be broadcasting the game, pulling the tarp, and selling beer! Also, delegation plays an important part in new employees learning to be sport managers. Just as a coach allows substitutes to slowly learn the game plan until they are ready to be starters, so too do sport managers allow their subordinates to hone their managerial skills via delegation.

The leading function also requires the manager to take an active role and manage any differences or changes that may take place within the organization. Ultimately, the manager is responsible for the employees and how they perform their duties. The manager must handle any conflicts, work problems, or communication difficulties so that the employees can achieve their goals. The manager also must be ready to stimulate creativity and motivate the employees if needed. Thus, the manager takes on a very dynamic role in the operations of the organization when performing the leading function.

## Evaluating

The manager performs the **evaluating** function by measuring and ensuring progress toward organizational objectives. This progress is accomplished by the employees effectively carrying out their duties. The manager evaluates the workers by establishing reporting systems, developing performance standards, comparing employee performance to set standards, and designing reward systems to acknowledge

successful work on the part of the employees. Position descriptions, discussed earlier in this chapter, are important in the evaluating function as well, for they establish the criteria by which employee performance is measured.

The reporting system involves the collection of data and information regarding how a job is being performed. For example, the director of corporate sponsorship for an event would collect information on how many sponsorship packages the local corporate sponsorship representative has sold. This information would be reported to the event director. Developing performance standards sets the conditions or expectations for the employee. In the previous example, the local corporate sponsorship representative, in conjunction with the director, would determine how many local sponsorship packages should be sold. Employee performance can then be evaluated based on how well (or poorly) each employee did in meeting these performance standards. Finally, a reward system should be put in place so employees believe their work is noticed and appreciated. Receiving recognition for good performance and accomplishments helps motivate employees to reach their job expectations. Employees will not be motivated to reach the performance standard placed before them if they believe they will not be rewarded or recognized in some way. There will also be times, however, when employees fail to meet the levels of performance expected of them. Managers must deal with these situations, which may be quite unpleasant. It is necessary to have a plan in place to help employees adjust their work efforts in order to be successful, as well as one to deal with employees who may need to be asked to leave the organization.

Managerial functions involve a manager performing a number of activities requiring various skills. The next section discusses the skills managers use when fulfilling their job responsibilities.

## Key Skills

### People Skills

As mentioned earlier, the most important resources in any sport organization are the human resources—the people. The sport management industry is a “people-intensive” industry. Sport managers deal with all kinds of people every day. For example, on a given morning a ticket manager for a minor league baseball team may have the task of meeting with chief executive officers or chief financial officers of local businesses to arrange the sale of stadium luxury boxes. That afternoon, he or she may be talking with the local Girl Scouts, arranging a special promotion night. The next morning may bring a meeting with the general manager of the team’s MLB affiliate to discuss ticket sales. Before a game, a season ticket holder may call to complain about his or her seats.

Managers in professional sport interact with unique clientele. On the one hand, they deal with athletes making millions of dollars. On the other hand, they deal with the maintenance crew, who may merely be paid minimum wage. The sport manager must be able to respond appropriately to these different constituencies and keep everyone in the organization working as a team. Using interpersonal skills and promoting teamwork are two valuable ways sport

managers utilize their people skills (Bower, 2009). Without proper **people skills**, the sport manager is destined to fail. Learning to treat all people fairly, ethically, and with respect is essential for the sport manager’s success.

### Communication Skills: Oral and Written

The importance of mastering both oral and written **communication skills** cannot be overstated (Bower, 2009). Sport managers deal with all kinds of people on a daily basis, and knowing how to say something to a person is equally as important as knowing what to say. Communication may take place one on one with employees or customers, or in a large group setting. When questions arise, people will call wanting help, such as a person with a disability who has questions about parking and stadium access. Sometimes people just need general information, such as when the next home event takes place. To sport managers, these types of questions can begin to seem mundane and repetitive. However, the sport manager must remember that for the person asking the question, this may be the first time he or she asked it, and this instance also may be his or her first personal contact with anyone in the organization. Answering each question professionally and courteously wins a lifelong fan. Being rude or uncooperative only ensures an empty seat in your arena or stadium. Remember: People who have had bad experiences talk to others, which may result in the loss of other existing or potential fans.

Being representatives of their sport organizations, sport managers are often asked to give speeches to community groups, schools, and business leaders. Sport managers need to learn how to give a proper oral presentation to a group. To assess one’s readiness to give a presentation, one should consider the following (Hartley & Bruckman, 2002, p. 304):



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1. Do you have clear objectives?
2. Do you know your audience?
3. Do you have a clear structure?
4. Is your style of expression right?
5. Can you operate effectively in the setting?

Jacobs and Hyman (2010) offer college students 15 strategies for giving oral presentations. These strategies can be applied later on in your professional career as well. These strategies include:

1. Do your homework.
2. Play the parts (organizing your presentation into a few main parts and telling the audience what these parts are).
3. Do a dry run.
4. Look presentable.
5. Talk, do not read.
6. Take it slow.
7. Use aids (e.g., PowerPoint slides, handouts).
8. Do not bury the crowd (with massive amounts of information that overwhelms them).
9. Be yourself.
10. Play it straight (a little humor may be alright, but not too much).
11. Circle the crowd (make eye contact with people seated in different parts of the room).
12. Appear relaxed.
13. Finish strong.
14. Welcome interruptions (questions are not necessarily a bad thing).
15. Know when to stop lecturing (discussions are great).

No doubt in your sport management classes you will have numerous opportunities to practice and perfect your oral presentation skills!

In addition to oral communication skills, successful sport managers need excellent written communication skills. Sport managers must be able to write in many different styles. For example, a sports information director needs to know how to write press releases, media guides, season ticket information brochures, interoffice memos, and business letters to other professionals, as well as lengthy reports that may be requested by the athletic director or university faculty. Coaches need to be able to write solid practice plans, letters to parents or athletes, and year-end reports on a team's status. A marketing researcher for a footwear company has to write extensive reports on sales, consumer preferences, and product awareness. Remember: Professional writing is *not* the same as writing text messages or posting to Facebook or Twitter. Always write using complete sentences and never include texting abbreviations! Email for business communication purposes needs to follow a succinct, professional approach. According to Stoldt, Dittmore, and Branvold (2012, p. 8), "Although the channels through which the information is carried vary from news releases to publications to blogs, the core competency remains constant—being able to write effectively." Knowing how to communicate facts and information in an organized, readable fashion is truly an art, one a sport manager must master to be successful.

## Managing Diversity

**Diversity** is a fact of life in today's sport workplace and there is a need to include more women, people of color, and people with disabilities at the managerial level in the sport industry. "Diversity—often mistakenly confused with old-style equal opportunities—refers to any differences between individuals,

including age, race, gender, sexual orientation, disability, education, and social background. Such differences can affect how people perform and interact with each other in the workplace, hence the need for a diversity management programme” (“Remember Five Things,” 2003, p. 31). More recently, Cunningham (2011, p. 6) defined diversity as “the presence of differences among members of a social unit that lead to perceptions of such differences and that impact work outcomes. This definition highlights (a) the presence of differences, (b) the dyadic or group nature of diversity, (c) the manner in which actual differences can influence perceptions of such heterogeneity, and (d) the impact diversity has on subsequent outcomes.”

The face of the U.S. workforce is changing rapidly. In 2011, minorities accounted for approximately 35.19% of the workforce (U.S. Equal Employment Opportunity Commission, 2012). Women hold approximately 44.2% of managerial positions in the workforce (U.S. Department of Labor, 2012). Information from the National Organization on Disability indicates that approximately 18% of all Americans (56 million people) have a disability (National Organization on Disability, 2013).

As a part of the greater business community, the sport industry must keep pace with this diversification in the workplace and encourage the inclusion of people of diverse cultures into the management of sport. The latest data in the 2012 Racial and Gender Report Card for college sports (Lapchick, 2012a) revealed that 85% of all head coaches of men’s and women’s sports in all three divisions were white. In 2012, white athletic directors held 89% of the NCAA Division I positions, with women accounting for 8.3%. All of the conference commissioners (11) at Football Bowl Subdivision (FBS) conferences are white men.

At the senior executive level, 30% of MLB employees were people of color, while women

occupied 2.7% of these positions. At the managerial level, 26.7% of employees were people of color, while women occupied 30% of these positions (Lapchick, 2013a). In the NBA, the percentage of people of color who held team professional administration positions increased by 3.1% to 27.6% in 2013, the highest percentage since the 2008–2009 season (Lapchick, 2013b). Unfortunately the percentage of women holding team professional administration positions decreased 4.3% to 35% in 2013 (Lapchick, 2013b).

The Rooney Rule has helped the NFL to double the number of African American head coaches in recent years, from three in 2003 to six in 2012. In 2012, the NFL reached a record high of six African American general managers. The history of NFL teams regarding the hiring of women is poor. Women occupied 20% of senior administrator positions during the 2011 NFL season, while holding only 15% of the team vice president positions (Lapchick, 2012b).

The underrepresentation of women, minorities, and people with disabilities in the sport industry is an important issue for sport managers who value diversity in the workplace.

The employment process, from hiring through retention through the exiting of employees from an organization, has become a much more complex process than in the past. Given the low numbers of women, minorities, and people with disabilities in leadership positions in the sport industry, steps must be taken to increase opportunities for access to the industry. When undertaking to follow ethical considerations for including all qualified individuals in the employment process, each phase of the process should be examined. These stages include recruitment, screening, selection, retention, promotion, and ending employment. The following suggestions offer concrete steps that sport managers can take to successfully manage diversity in the sport industry (Hums, 1996):



- Be knowledgeable about existing labor laws related to discriminatory work practices.
- Be knowledgeable about existing affirmative action guidelines for the employment process.
- Increase knowledge and awareness of multiculturalism.
- Be knowledgeable and supportive on issues of importance to all groups in the workplace.
- Write statements about valuing diversity into the organization's code of ethics.
- Expand personal and professional networks to include those of different races, genders, physical abilities, sexual orientations, and social classes.
- Act as a mentor to people of diverse cultures in one's sport organization.
- Be courageous enough to "buck the system" if necessary. This is indeed a personal challenge and choice. A sport manager who perceives discrimination or discriminatory practices within a sport organization should speak out against these practices.

The North American workforce is rapidly changing and diversifying. Sport leaders must be aware of how this trend will affect their sport organizations. By being proactive and inclusive, sport leaders can ensure that all qualified individuals have an opportunity to work in the sport industry, allowing for the free exchange of new and diverse ideas and viewpoints, resulting in organizational growth and success. Sport leaders advocating this proactive approach will have organizations that are responsive to modern North American society and will be the leaders of the sport industry.

### Managing Technology

Technology is evolving more and more rapidly every day, and **managing technology**—that is, being familiar with technology and using it to one's advantage—is something every

manager should strive for. Managers need to be aware of technological advances and the way technology is used in the sport industry. This includes social media, customer data collection and advanced ticketing systems, and video conferencing and multimedia presentations, to name a few. Managers must stay current and be proficient with technology as it is used in the workplace.

The recent explosion in the use of social media has had a major impact on sport managers. Every team in the Big Four (NFL, MLB, NBA, and NHL) uses social media. NASCAR, NCAA schools, and even high school sport teams, in addition to major international events such as the World Cup and Olympic and Paralympic Games, use social media. Individual athletes are active on social media as well. Sport management students should be aware of how sport organizations are using social networking sites such as Facebook and Twitter to promote their athletes, teams, and products (Hambrick, Simmons, Greenhalgh, & Greenwell, 2010).

The Internet has become a pivotal source of information on a variety of subjects. Computerized ticketing systems such as Paciolan and Prologue are used on a daily basis by professional sport teams, major college athletic departments, theme parks, and museums. Paciolan describes itself as follows (2013b, para. 8):

Founded in 1980, Paciolan is the leader in venue enablement, powering ticketing, fundraising, and marketing technology solutions for leading organizations across North America. Collectively, Paciolan powers over 500 live entertainment organizations who sell over 100 million tickets annually. Primary markets include college athletics, professional sports, performing arts, arenas, and museums. Paciolan is a wholly owned subsidiary of Comcast-Spectacor.