

SECOND EDITION



# Principles and Practice of Sport Management

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SECOND EDITION

Principles and  
Practice of

Sport  
Management

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# Foreword to the Second Edition

One of the most essential courses in an undergraduate sport management program is the Introduction to Sport Management course. This course must function as a survey course providing an overview for those students either considering or declaring sport management as a major or minor option. In any case, the students enrolled in such courses have little knowledge or expertise regarding the options and varieties of opportunities in the field of sport management. The second edition of *Principles and Practice of Sport Management* is a well-designed and successful offering designed to assist both students and faculty in this important undertaking.

The critical component in such a course is the attitude and spirit of the faculty member, who must address topical content areas outside his or her own expertise and, in many cases, be all things to a class lacking a focus but anxious to develop one. In my 20 years in academics, I have never found a group of faculty so committed to the undergraduate experience and the quality of learning activities that comprise that experience than professors Lisa Pike Masteralexis, Carol Barr, and Mary Hums. In their role as editors, these faculty members have assembled an outstanding cast of contributors with broad and far-ranging expertise in the subdisciplines of sport management. In their roles as educators, they have painstakingly created chapters that educate, motivate, and stimulate academic inquiry as well as vocational considerations. The product of these efforts, the second edition of *Principles and Practice of Sport Management*, is an excellent introductory text that functions as a guide to the variety of subdisciplines within the sport management field by providing valuable insight and excellent developmental learning activities and that serves as a launching pad by identifying both young scholars and sources of academic and practitioner-based information sources.

As I continue to be an active practitioner/consultant in the sport industry as well as an academic involved in both the development and education as well as the placement of students, I am excited about a text that provides an insightful foundation for students interested in entering the industry. I am

honored to provide the foreword for *Principles and Practice of Sport Management*, as it is not only a quality academic text, but a dissemination of expertise and a labor of love from faculty committed to the student experience at every level.

William A. "Bill" Sutton, EdD  
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# Forewords to the First Edition

The sport industry is global. It needs leaders to maintain its success and to remain competitive with other industries. Effective sport leaders must have sport management knowledge and preparation. They must learn the intricacies and uniqueness of the global sport industry. This textbook is a key for the preparation of future sport managers. It is an excellent training manual for understanding the sport industry. It provides a foundation for the preparation of future sport managers. The text provides substantive information on sport management, sport law, sport marketing, sport finance, sport ethics, and sport history. These principles are then applied to all of the segments of the sport industry; from high school, collegiate, and professional sport to international sport and European sport club systems to health, fitness, and recreation. The text also introduces all of the support systems necessary to sustain the sport industry (broadcasting, media relations, and facility and event management).

The authors have done a thorough job addressing the complexities of the sport industry. The text offers a global vision of the sport management field. For those of you in the training process, a book like this can be an excellent resource and a key to your career preparation.

His Excellency Juan Antonio Samaranch  
President, International Olympic Committee

It is indeed a privilege and honor to be asked to write a foreword to a text in sport management. It is doubly gratifying when such a request comes from very talented, established, and young scholars in the field. I thank the editors, Lisa Pike Masteralexis, Carol A. Barr, and Mary A. Hums, for the honor.

The growth of sport management as a professional field is predicated on a sound body of knowledge unique to the field. One indication of such growth in knowledge base is the publication of scholarly and trade journals. Yet another indication of such growth is the publication of textbooks. It is trite to say that the future of the field depends largely on the current students in sport management programs. Thus, it is critical that we have good textbooks that distill and collate the knowledge for presentation to the students.

The editors must be complimented for bringing out this text and partially filling the void in this area. The nature of the book is best indicated by the title of the book, *Principles and Practice of Sport Management*. The editors have divided the text into broader foci—(a) foundations of sport management, which includes chapters on the history of sport management, management, marketing, financial, legal, and ethical principles; (b) amateur sport industry chapters on high school and youth sport, college sport, the European club sport system, and international sport; (c) professional sport industry, including chapters on sports agency and professional sport; (d) sport industry support segments with chapters on facility management, event management, media relations, sport broadcasting, and the sporting goods industry; (e) lifestyle sports, including chapters on the health and fitness industry and recreational sport; and (f) career preparation. The material covers significant aspects of the theory and practice in sport management. As is evident, the text covers most of the topics suggested by the Joint Task Force of the National Association of Sport and Physical Education and the North American Society for Sport Management as imperatives for sport management degree programs, and is best suited for an introductory course in sport management.

The editors have also recruited the right kind of scholars and professionals to write the chapters on specific topics. The authors of various chapters have the necessary expertise and background experience

to cover each topic cogently and succinctly. What is remarkable about the authors is that they come from different backgrounds, and they include mostly young writers. Even more remarkable is the fact that the book is not a compilation of previous work; the chapters were expressly written for this text.

In sum, the editors have done a good job of selecting the most relevant topics, enlisting the necessary talent to cover the topics, and compiling an excellent text. While congratulating the editors on completing this arduous task, I am also convinced that teachers and students will find the text quite valuable to their professional preparation programs.

Packinathan “Chella” Chelladurai, PhD  
Professor in the Sports Management Program  
The Ohio State University

## Preface

As the sport industry continues to grow and evolve at a dramatic rate, the goal of providing a comprehensive, current, concise introductory textbook on sport management becomes an enormous task. We have attempted to do just that, in providing our readers (students, professors, and practitioners alike) with this second edition of *Principles and Practice of Sport Management*.

This is a textbook developed for use in introductory sport management courses. The focus behind 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 providing information on sport industry segments for potential job employment and career choices. Directed toward undergraduate students, the textbook has three distinct sections. The first six chapters provide an overview of basic knowledge areas for the successful sport manager, presenting fundamental principles and key skills as well as information on current issues. Chapters 7 through 20 present an overview of a major sport industry segment in which a sport manager could work, followed by a case study to spark debate and discussion. The last chapter, Chapter 21, provides the reader with the basics of breaking into the highly competitive sport management industry. We have included an international perspective where

appropriate throughout 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 attention to Chapter 9, which focuses on sport in the international setting. Chapter 9, *International Sport*, guides the reader through the global “sportscape” by examining the burgeoning sport industry around the world and the structures of two major international events, the Olympic Games and the Paralympic Games. In this chapter, the reader should pay particular attention to use of the word “football” instead of the word “soccer,” to which most Americans are accustomed. This terminology is used purposefully, to remind the reader that in the majority of the world “football” in fact does not mean American football as played by the National Football League and the World League of American Football, but rather the traditional sport played at the much anticipated and celebrated World Cup. The chapter also makes the point that the reader should not confuse “globalization” of sport with the “Americanization” of global sport.

This textbook offers a mix of contributions from scholars and practitioners. Chapter 9, *International Sport*, was coauthored by a former National Olympic and Local Organizing Committee employee with experience working three Olympic Games and the Pan American Games. Chapter 12, *Facility Management*, written by practitioners, provides an insider’s perspective into what it takes to work in this high-energy, long-hours profession. Chapter 16, *Sport Communication*, was written by two practitioners with incredible backgrounds in public relations and communications in the professional team sport setting. Chapter 21, *Strategies for Career Success*, was coauthored by a longtime university career counselor who is familiar with what organizations look for in successful candidates. These chapters tend to have a somewhat different tone from the others, as they are written by practitioners. In addition, many of the scholars who contributed to the book returned to the classroom after years of working in the industry, so their thoughts offer a unique blend of information from both academic and industry perspectives.

This second edition is full of current data and information, as the chapter authors have paid particular attention to updating and adding

information where appropriate. New case studies in each chapter have also been provided. Two new chapters have been included in this second edition covering the topics of sport sales (Chapter 14) and sport sponsorship (Chapter 15). Chapter 16, *Sport Communication*, greatly expands on the original media relations chapter from the first edition. And based on feedback from faculty using the text, we eliminated the chapter on European sport management from the first edition. All of the chapters have undergone significant review and revision, as chapter authors have been attentive to providing new material and updated information.

Overall, this textbook allows the reader to learn both the foundations and principles on which sport management operates and an opportunity to apply those foundations and principles to the sport industry. This textbook also 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 this field, as well as to those whose role it is to educate future sport managers.

## 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. Finally, we commend their patience and good-natured attitudes as we polished drafts to achieve our goals and present our philosophy.

As noted in the preface, we have made some changes to the chapters and contributing authors. You should note that we have left some contributors’ names from the first edition on the second edition chapters to note the significance of the material carried over from the first to the second edition. We would like to thank those authors from the first edition who did not participate in this edition, but whose original work remained a part of the second



edition. They are Tim Ashwell, Kevin Barrett, Stephen Bromage, Michael J. Graney, Howard Davis, and Bill Sutton.

We are honored that Dr. William “Bill” Sutton, Associate Director and Professor of the DeVos Sport Business Management Program at the University of Central Florida, agreed to write the foreword to our book. Bill is internationally respected for his academic and industry work in sport marketing and his understanding of the sport industry. On a personal note, we respect Bill for his kindness, loyalty, and sense of humor. He is a dear friend to all of us.

We also thank those faculty members who have adopted *Principles and Practice of Sport Management* for their classes and those who have given us great feedback that we have incorporated into the second edition.

Finally, we thank everyone at Jones and Bartlett Publishers for their efforts in seeing this project through. Their enthusiasm for the text was wonderful motivation for tackling the second edition. The competent efforts of Jacqueline Mark, Julie Bolduc, Nicole Quinn, and Erin Murphy also lessened the burden of putting this second edition together.

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# CHAPTER 1

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

## History of Sport Management

Todd W. Crosset and Mary A. Hums

### ■ INTRODUCTION

The contemporary sport industry is complex and has unique legal, business, and management practices. As a result, many of the ways we organize this industry are unique, too. The organization of sport developed over the past 150 or so years and continues to evolve. Most recently, for example, managers of sport 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 primary theme of this chapter is that sport management structures are conceived

and evolve in response to broad social changes or to address specific issues within a segment of the sport industry, or both. The evolution of these structures illustrates that sport managers need to be creative in the ways they run sports. A particular management structure won't work in all situations. History suggests that sport managers who are flexible and adaptable to broader changes in society and who have a keen sense of their sport are the most successful. This chapter gives a few examples of innovative and successful sport managers.

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 put out an honest effort is a spoil sport. Players who throw games are sell-outs. So critical is perception of an honest effort that sport managers will kick people out of a 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 leveling 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 trying to win than it is of those throwing games. The public's notion of what ensures an honest effort 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. Implicit in modern sport is the desire to create a meritocracy—if you're good enough, you should play. But, by necessity, in any form of organized sport there are 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 to a new 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 women to compete against men on the Professional Golfers' Association (PGA) tour. Although it is still unusual, women competing in PGA tournaments is clearly a possibility and has occurred (Annika Sorenstam competed in the 2003 Bank of America Colonial and Suzy Whaley competed in the 2003 Greater Hartford Open).

Historically, the groups with the most power have often defined 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 American and South African sport structures 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-bat 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 structure.

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 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, 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 horse 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 four-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,

managing thoroughbred racing needed to become more systematic.

Gambling on thoroughbred horse races was common among all classes. As 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 four-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, they would punish that jockey themselves, 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 police the sport (Henriches, 1991).

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

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 responsibility was 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 depends 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.

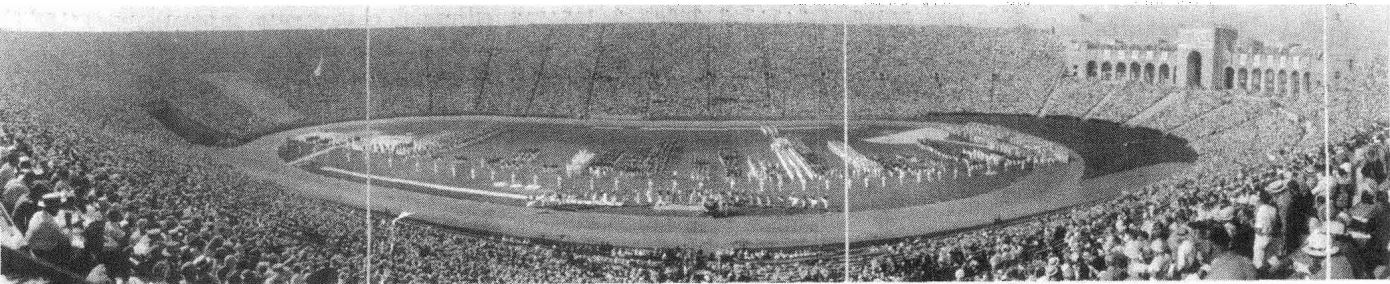
### **The Modern Olympic Games: An International Club Event**

The club structure is also the foundation for the **modern Olympics**. Indeed, the early games can be viewed as an international club event. Created at the peak of the club system, the modern Olympics 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 only for Greek men. 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 521 (Ministry of Culture-General Secretariat for Sports, 1998). Almost 15 centuries would pass

before an international Olympics would be revived in another form.

Although 1896 marks 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 to 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 Olympics was held in 1894. **Pierre de Coubertin**, a young French physical educator who was influenced by Brookes's vision of an International Olympics, Professor William Sloane of Princeton University, and Charles Herbert, Secretary of the (British) Amateur Athletics Association, were the initiating force behind this meeting, which they dubbed an "international athletic congress." Over 70 attendees representing 37 amateur athletic clubs and associations from at least a dozen different nations came to the congress. The primary focus of the congress was the meaning and application of the concept of amateurism. De Coubertin, inspired by the English Olympic revivals, the Victorian notion of character development through sport, and an international





peace movement, argued for an Olympic festival at the meeting. These Games, he suggested, would be held every four years, in rotating sites, and participants would be amateur athletes. 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 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 Olympics following (Paris, St. Louis), the Olympics floundered and did not hit solid footing until, not surprisingly, London hosted the Olympic Games in 1908. The Olympic Games are discussed in more detail in Chapter 9, International Sport.

## **The Club Structure Today**

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, nonetheless 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 Ano Liosia 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.

These organizations are characterized by their nonprofit status and exclusive membership. Challenges to the exclusive male-only membership policies of the Augusta National Golf Club, for example, have made headlines and have been met with stiff resistance from the leadership of the club itself.

Once the dominant management structure of elite sport, the club system is slowly being replaced by other sport management structures. Clearly, the Olympics have changed dramatically from the early days and now resemble the tournament structure discussed later in this chapter. Even European football, once the prime example of the club system, is changing. Elite European club teams such as Manchester United, Real Madrid, and Olympiakos are increasingly controlled by wealthy individuals and run like entertainment businesses (King, 1997).

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

## **American Structures: Sport Clubs Adapt to American Culture**

In the early 1800s, upper-class sports enthusiasts in the United States attempted to develop sports along the lines of the English club