

FUNDAMENTALS OF SPORT MANAGEMENT

Robert E. Baker

Craig Esherick

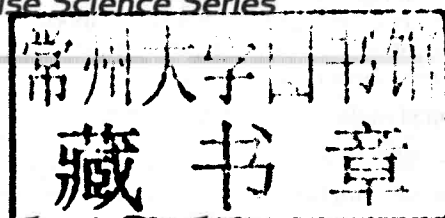


*Human Kinetics' Fundamentals of
Sport and Exercise Science Series*

FUNDAMENTALS OF SPORT MANAGEMENT



*Human Kinetics' Fundamentals of
Sport and Exercise Science Series*



Robert E. Baker, EdD

Craig Esherick, JD

George Mason University, Fairfax, VA



HUMAN KINETICS

Library of Congress Cataloging-in-Publication Data

Baker, Robert E., 1957-

Fundamentals of sport management / Robert E. Baker, Craig Esherick.

p. ; cm. -- (Human Kinetics' fundamentals of sport and exercise science series)

Includes bibliographical references and index.

1. Sports--Management. 2. Sports administration. I. Esherick, Craig. II. Title.

GV713.B32 2013

796.06'9--dc23

2012030722

ISBN-10: 0-7360-9108-4 (print)

ISBN-13: 978-0-7360-9108-4 (print)

Copyright © 2013 by Robert E. Baker and Craig Esherick

All rights reserved. Except for use in a review, the reproduction or utilization of this work in any form or by any electronic, mechanical, or other means, now known or hereafter invented, including xerography, photocopying, and recording, and in any information storage and retrieval system, is forbidden without the written permission of the publisher.

The web addresses cited in this text were current as of August 13, 2012, unless otherwise noted.

Acquisitions Editor: Myles Schrag

Developmental Editor: Christine M. Drews

Assistant Editors: Brendan Shea, PhD, Susan Huls, Amy Akin, and Amanda S. Ewing

Copyeditor: Tom Tiller

Indexer: Gerry Lynn Shipe

Permissions Manager: Dalene Reeder

Graphic Designers: Bob Reuther and Fred Starbird

Cover Designer: Keith Blomberg

Photo Asset Manager: Laura Fitch

Photo Production Manager: Jason Allen

Art Manager: Kelly Hendren

Associate Art Manager: Alan L. Wilborn

Illustrations: © Human Kinetics, unless otherwise noted

Printer: Versa Press

Printed in the United States of America 10 9 8 7 6 5 4 3 2 1

The paper in this book is certified under a sustainable forestry program.

Human Kinetics

Website: www.HumanKinetics.com

United States: Human Kinetics

P.O. Box 5076

Champaign, IL 61825-5076

800-747-4457

e-mail: humank@hkusa.com

Canada: Human Kinetics

475 Devonshire Road Unit 100

Windsor, ON N8Y 2L5

800-465-7301 (in Canada only)

e-mail: info@hkcanada.com

Europe: Human Kinetics

107 Bradford Road

Stanningley

Leeds LS28 6AT, United Kingdom

+44 (0) 113 255 5665

e-mail: hk@hkeurope.com

Australia: Human Kinetics

57A Price Avenue

Lower Mitcham, South Australia 5062

08 8372 0999

e-mail: info@hkaustralia.com

New Zealand: Human Kinetics

P.O. Box 80

Torrens Park, South Australia 5062

0800 222 062

e-mail: info@hknewzealand.com

I cannot adequately express my appreciation for the enduring support of my wife, Pam Hudson Baker, throughout this journey.

This book is dedicated to all sport management students, graduates, and faculty who advance the discipline and the conduct of sport.

—Bob Baker

I would like to thank my wife, Theo, and my sons, Nicko and Zachary, for their unstinting support during the many months I spent on my laptop writing this book.

I dedicate this book to the many hard-working students in sport management at George Mason University who inspire me every day.

—Craig Esherick

We would also like to acknowledge Myles Schrag, Chris Drews, Brendan Shea, and Susi Huls at Human Kinetics for their dedicated work in moving this project to completion.

Series Preface

The sport sciences have matured impressively over the past 40 years. Subdisciplines in kinesiology have established their own rigorous paths of research, and physical education in its many forms is now an accepted discipline in higher education. Our need now is not only for comprehensive resources that contain all the knowledge that the field has acquired, but also for resources that summarize the foundations of each of the sport sciences for the variety of people who make use of that information today. Understanding the basic topics, goals, and applications of the subdisciplines in kinesiology is critical for students and professionals in many walks of life. Human Kinetics has developed the Fundamentals of Sport and Exercise Science series with these needs in mind.

This and the other books in the series will not provide you with all the in-depth knowledge required for earning an advanced degree or for opening a practice in this subject area. This book will not make you an expert on the subject. What this book will do is give you an excellent grounding in the key themes, terms, history, and status of the subject in both the academic and professional worlds. You can use this grounding as a jumping-off point for studying more in-depth resources and for generating questions for more experienced people in the field. We've even included a list of additional resources for you to consult as you continue your journey.

Key to Icons



Look for the giant quotation marks, which set off noteworthy quotes from researchers and professionals in the field.



Management Insights go behind the scenes to explain the background of relevant sport management issues.



Quick Facts include quirky or surprising "Did you know?" types of information.



International Application sections profile a person or organization to illustrate a global perspective of the topic discussed.



Success Stories highlight influential individuals in the field. Through these sidebars, you will learn how researchers and professionals apply their knowledge of the subject to their work, and you'll be able to explore possible career paths in the field.

You might be using this book to help you improve your professional skills or to assess the potential job market. You might want to learn about a new subject, supplement a textbook, or introduce a colleague or client to this exciting subject area. In any of these cases, this book will be your guide to the basics of this subject. It is succinct, informative, and entertaining. You will begin the book with many questions, and you will surely finish it with many more questions. But they will be more thoughtful, complex, substantive questions. We hope that you will use this book to help the sport sciences, and this subject in particular, continue to prosper for another generation.

Preface

Fundamentals of Sport Management is an introduction to the interdisciplinary field of sport management. This book is for those curious about the field of study as well as those who wish to refresh their knowledge of the options available in sport management. High school students who want to learn what sport management is and what sport managers do will find this text useful. University undergraduates who have heard of sport management and want an overview of the essential content in the field can benefit from this book as well. Undergraduates majoring in another field who might be interested in pursuing graduate study in sport management may also gain perspective through this book. Additionally, sport practitioners who want to reinforce or challenge their perceptions of the core concepts in sport management may enhance their professional capacity. Serving as a handy reference on basic concepts in various areas of sport management, this book will be a valuable addition to many practitioners' libraries. Those trained in other fields may gain insights into sport management and options for a career change.

Sport management has evolved as both a popular and respected discipline in higher education. Academic programs in sport management take an interdisciplinary approach in preparing students for work in the field. This book addresses each of the academic areas (business, management, economics, marketing, communications, physical education, law, ethics, government, and psychology) and the contribution of each area to the field of sport management.

These basic questions are addressed in *Fundamentals of Sport Management*: What is sport management, and what can I do with the principles I learn from sport management? The text contains fundamental academic *and* practical information on sport management.

Part I presents an introduction to the field of sport management. Beginning with the origins of the discipline, chapter 1 focuses on the development of the field, its professional associations, and professional preparation through academic programs.

Concluding part I, chapter 2 focuses on career opportunities in sport management. The various paths to employment and professional development in sport management are central to this chapter. The value of field experiences and internships is discussed as well.

Each of the chapters in part II focuses on a specific academic building block in the field. Chapter 3 presents management principles in sport, examining such functions as planning, organizing, and controlling. Chapter 4 deals with leadership in sport organizations, including a discussion of organizational studies, the social psychological foundations of leadership, communication techniques, and strategies of leaders. Chapter 5 examines the development of sport policy and the governance of scholastic, intercollegiate, professional, and private and public sport enterprises.

Chapter 6 presents sport operations, the functioning of sport events, and the management of venues in which events take place. Chapter 7 addresses the legal aspects

eBook

available at
HumanKinetics.com

of sport, including tort law and negligence, Title IX, and the Americans With Disabilities Act. Chapter 8 addresses the basics of sport marketing, including public relations, promotions, sponsorships, and advertising.

Chapter 9 addresses sport and the media, including print, broadcast, and electronic media. Chapter 10 presents the economics of the sport industry. Chapter 11 presents fundamental aspects of the financing of sport, including balance sheets and income statements, nonprofit and for-profit finances, and the influence of television rights. Chapter 12 examines ethical foundations in sport, including a discussion of sportsmanship. The epilogue discusses the future of sport management. It suggests possible trends and examines developments in such areas as entrepreneurship, technology, globalization, and sport as an agent for social change.

Each chapter contains sections and sidebars expanding on the main topics. The section titled International Application offers a global perspective of the topic discussed. A Success Story offers a summary of an achievement in sport management. Management Insights explain the background of relevant sport management issues. Quick Facts highlight surprising facts about sport management. Quotes provide meaningful insights from experts. The Short of It offers a summary of the key points in the chapter.

Appendix A contains resources (including books, journals, and websites) to help you keep up with and learn more about sport management. Appendix B offers tips for prospective sport management students and professionals on applying the principles of sport management in various positions. The book concludes with a list of references and an index.

This book offers insights into the exciting world of sport management, the impact of the sport industry, and the possibilities for employment in sport. If you are curious about the field or seek a refresher on the content and current status of sport management, then this book is for you. Enjoy this journey into *Fundamentals of Sport Management*.

DESCRIPTION OF SELECT CHAPTER OPENER PHOTOS

Many of the chapter opener photos feature people, places, and events that are worthy of further description:

- Chapter 1: Roman Abramovich, owner of Chelsea Football Club
- Chapter 2: Chris Antonetti, general manager and executive vice president of the Cleveland Indians
- Chapter 4: Paul Hewitt, head basketball coach at George Mason University and former head basketball coach at Georgia Institute of Technology
- Chapter 5: NCAA headquarters in Indianapolis, Indiana
- Chapter 6: The Colosseum in Rome, Italy
- Chapter 10: Coors Field in Denver, Colorado, home of the Colorado Rockies
- Chapter 12: Wolverhampton Wanderers goalkeeper Wayne Hennessey and Notts County's Kevin Smith

Contents

Series Preface vii ■ Preface ix

PART I	WELCOME TO SPORT MANAGEMENT	1
CHAPTER 1	What Is Sport Management?	3
	Origins in Physical Education, Athletics, and Business	6
	Sport Management: 1900 to 1965	6
	Sport Management: 1966 to 1979	7
	Sport Management: 1980 to 1999	8
	Sport Management: 2000 and Beyond—Current Status	8
	Professional Preparation in Sport Management	12
	Professional Associations in Sport Management	14
	The Short of It	17
CHAPTER 2	What Can I Do With Sport Management?	19
	Careers in Sport Management	22
	Paths to Employment	26
	Professional Preparation for a Sport Management Career	28
	Professional Development in Sport Management	30
	The Short of It	32
PART II	BUILDING BLOCKS OF SPORT MANAGEMENT	33
CHAPTER 3	Sport Management Principles and Functions	35
	Organizations in Sport	37
	Management Functions	39
	Universality of Management	48
	Skills, Roles, and Responsibilities of Managers	49
	The Short of It	55
CHAPTER 4	Leadership in Sport Organizations	57
	Leadership Versus Management	58
	The ABCs of Sport Leadership: Antecedents, Best Practices, and Consequences	59
	Antecedents of Leadership	60
	Sport Organizations as Systems	64
	Best Practices: The Art and Science of Leadership	66
	Consequences of Leadership	75
	The Short of It	78
CHAPTER 5	Sport Policy and Governance	79
	What Is Good Governance?	80
	What Is Governance in Sport?	81
	Governance of High School Sport	83
	Governance of Collegiate Athletics	84
	Governance of Professional Sport	88
	The Short of It	93

CHAPTER 6	Sport Venues, Event Management, and Building Operations	95
	Venues	97
	Event Management, Risk Management, and Crowd Control	104
	The Short of It.	111
CHAPTER 7	Sport Law	113
	The U.S. Legal System	115
	U.S. Tort Law.	116
	U.S. Contract Law.	118
	Title IX.	121
	ADA	122
	Intellectual Property	122
	Dispute Resolution—Negotiation, Mediation, Arbitration, and Litigation	124
	The Short of It.	128
CHAPTER 8	Sport Marketing	129
	The Marketing Mix	131
	What's Unique About Sport Marketing?	138
	Sport Marketing Plans	141
	The Short of It.	144
CHAPTER 9	Sport Media.	145
	History of Media in Sport	148
	Traditional Media in the 21st Century	151
	New Media	155
	Ethics and Sport Media	160
	The Short of It.	162
CHAPTER 10	Sport Economics	163
	Macro- and Microeconomics	165
	The Economics of Sport Leagues.	169
	The Economics of College Athletics.	171
	Outside Influences That Affect Sport Economies.	173
	The Short of It.	177
CHAPTER 11	Sport Finance	179
	Accounting 101.	181
	Interscholastic Sport Finance	184
	Intercollegiate Sport Finance	186
	Finance in Professional Sport.	192
	The Short of It.	196
CHAPTER 12	Ethics in Sport Management.	197
	Theoretical Foundations.	200
	Ethical Decision Making	201
	Ethical Challenges in Sport Management	209
	The Short of It.	214
	Epilogue: The Future of Sport Management.	215
	Appendix A: Learn More About Sport Management	224
	Appendix B: Implementing Sport Management in the Real World.	228
	References.	235
	Index	247
	About the Authors	254

I

PART

Welcome to Sport Management

Part I of *Fundamentals of Sport Management* presents an overview of sport management and of the many professional opportunities it encompasses. This section of the book provides information about sport management as an academic discipline and as a profession. Chapter 1 addresses a seemingly simple question: What is sport management? It answers this question by exploring characteristics of the sport industry, as well as the origins and development of professional preparation programs in sport management. It also addresses the complex relationship between sport management academic programs and the sport industry.

Chapter 2 explores the varied career opportunities made possible by the considerable size and scope of the sport industry. This chapter discusses the advantages of professional education in sport management and covers what to look for in a sport management education—from faculty to experiential and networking opportunities. Viewing life as a contact sport, the chapter addresses the importance of internships in developing a solid skill set and discusses how field experiences can help students develop their resumes and establish contacts in the industry. It is also critical for students to understand the many stakeholders in sport management, and this chapter describes many careers available in the various sport segments, from recreational to professional sport. It also highlights the knowledge, attitudes, and skills that students need in order to distinguish themselves in their pursuit of a career in the sport industry.

CHAPTER 1

What Is Sport Management?



PA Photos

In this chapter, you will learn the following:

- ✓ How sport management is defined as an academic discipline
- ✓ How the academic discipline of sport management developed in response to sport industry needs
- ✓ The importance of professional preparation for students of sport management

In the past 20 years, college sports-management programs have grown nearly as exponentially as the sports business itself has.

John Helyar
(2000)

Belmont Abbey College was established by Catholic monks in 1876 as a small liberal arts school in the middle of predominantly Protestant North Carolina. By the turn of the 21st century, the university's leaders had decided that the institution needed a change, and in 2004 they brought in William Thierfelder as president to boost enrollment and plot a new course for the school. Thierfelder and a member of the board of directors, H.A. "Humpy" Wheeler, came up with a novel idea to garner national attention and put the school on firmer financial footing (Thompson, 2007).

It is no coincidence that both of these men have a background in sport. Thierfelder holds a doctorate in sport psychology and worked previously as president of the York Barbell Company and as director of an agency serving NFL players. Wheeler, whose father was athletic director at Belmont Abbey for more than 30 years, served as president of Charlotte Motor Speedway. Their idea was to start the first motorsport management program at a university in the United States. The resulting program takes advantage of its proximity to the Charlotte Motor Speedway, NASCAR headquarters, the Carolina Speedway, and the Dirt Track Racing School. Thus Thierfelder and Wheeler have helped Belmont Abbey carve out a niche that has not only increased enrollment but also grabbed the attention of an industry that employs thousands of North Carolinians (Thompson, 2007).

sport management—Both a professional career path and an academic content area that includes all activities, individuals, and organizations involved in the conduct of sport in all its dimensions—youth and adult, play and work, amateur and professional, for-profit and nonprofit, community and international, recreation and performance oriented, and public and private.

Sport management is both a professional career path and an academic content area. In the broadest sense, sport management includes all activities, individuals, and organizations involved in the conduct of sport in all of its dimensions—youth and adult, play and work, amateur and professional, for-profit and nonprofit, community and international, recreational and performance oriented, and public and private. The field also includes the management of sport as entertainment.

Sport is a pervasive social institution that has grown into an estimated \$425 billion per year industry (Plunkett, 2011; Coakley, 2009), and the emergence and evolution

of academic sport management programs parallels the growth of the industry. Indeed, the impetus for professional preparation in sport management came from the industry itself and ultimately prompted the development of the academic discipline (Gillentine & Crow, 2005). As an academic content area, sport management includes professional preparation programs intended to help students learn foundational knowledge and best practices. It also includes the study of the conduct of the sport industry from a variety of disciplinary perspectives. For example, economists might examine the economic impact of sport globally or in a specific region. Sociologists might investigate the role of sport as a social institution. Business scholars might study the financial, strategic, or organizational aspects of sport. Psychologists might research group dynamics, leadership, or other interpersonal factors that affect sport. In addition to such scholarly study, sport management also involves applying these theoretical underpinnings in the specialized professional preparation of sport practitioners—that is, exploring how research findings should inform the day-to-day practice of, for example, a sport marketer, broadcaster, or facility manager.

Sport management is a relatively young academic discipline (Masteralexis, Barr, & Hums, 2012). In fact, it still goes by several names, including sport management, sports management, athletic administration, and sports administration. So, what's in a name? The terms *sport* and *sports* appear to be interchangeable, but when used in describing this field of study they carry different connotations. For example, the term *sport* implies a broader concept, similar to the function of the terms *government* and *religion*. The study of *government*, for instance, involves broad knowledge of how people organize and rule themselves, whereas the study of *governments* focuses on specific applications, such as those in the United States, Brazil, India, and China. Similarly, the study of *religion* involves broad knowledge of spiritual beliefs and foundations, whereas the study of *religions* would focus on, say, Buddhism, Catholicism, Islam, or Judaism. In much the same way, the study of *sport management* takes a broad perspective on the concepts and foundations of the conduct of sport, and the study of *sports management* implies an examination of, for example, basketball, hockey, football, tennis, or golf.

The terms **administration** and **management** also involve distinctions. The difference in terminology may appear inconsequential, yet each term carries its own implications. *Administration* refers to the performance of tasks related to the process of management, whereas *management* refers to the process of organizing, directing, and overseeing the achievement of objectives. Each of these terms is applicable to the study of the organization and conduct of the sport industry.

administration—Performance of tasks related to the process of management.

management—Act of organizing, directing, and overseeing the achievement of objectives.

Ultimately, though *sport management* has come to be the most widely used term to identify this field, all of these terms retain relevance in professional preparation for sport managers. In the end, the quality of the program is far more important than its name.

Origins in Physical Education, Athletics, and Business

The professional preparation of sport management practitioners originated in response to identified needs of the sport industry. Often, in their early stages of development, collegiate athletic programs were incorporated in physical education academic units. As a result, sport management programs first emerged in the physical education curriculum, and classes focused on the administration of physical activity have since developed into the specialized sport management courses we know today. Comprehensive sport management education can draw from such specialized curricular areas as accounting, communication, economics, ethics, event planning and execution, facilities, finance, governance, law, leadership, management, marketing, public relations, operations, and sales, among others. Thus, in the university structure, the ongoing evolution of sport management continues to be defined not only by its origins in physical education but also by curricular influences from diverse disciplines, including business, communication, education, recreation, and the social sciences. Increasing scholarly interest in sport management as a unique field of study has aided its progression from merely practitioner training to a serious academic undertaking bolstered by its own body of knowledge and research agendas.

In the last 40 years, the number of university-based sport management programs has increased dramatically (Stier, 2001), and more than 300 professional preparation programs are now offered in sport management in countries around the globe (North American Society for Sport Management, 2012). Universities have seen burgeoning interest in sport management curricula as more students have pursued employment in the sport industry (Parkhouse & Pitts, 1996). The following chronological summary of the evolution of sport management reveals that, despite a sluggish start, sport management has become a common academic program that attracts considerable student interest.

Sport Management: 1900 to 1965

Despite two world wars and a worldwide economic depression, sport thrived through the first half of the 20th century, and by 1950 the sport industry was well entrenched in U.S. society. Football was king of the vibrant intercollegiate sport scene, which had emerged from student-led clubs to be subsumed under faculty, and later professional, coaches and managers. The National Collegiate Athletic Association (NCAA) was formed in 1906 as a self-regulatory body at the behest of President Theodore Roosevelt. Baseball led the field in professional sport, which also included football, boxing, golf, tennis, and many others. And the Olympics had reemerged to popularize global sport competition. Despite all of this, no formal preparation existed for sport managers.

Nonetheless, the incentive to win, combined with the growing power of sport, led some to apply scientific research to sport. Specifically, during this era, psychology, physiology, and other scholarly disciplines turned some of their attention to the phenomenon of sport. As a result, academic programs were established to advance knowledge and apply specific theoretical foundations to sport. In similar fashion, sport management emerged from both academic curiosity and industry needs. Sport management was unique, however, in that, from its inception, it was intended to provide professional preparation for sport management practitioners. Thus the application of scientific management concepts to sport lagged behind the evolution of some other research-grounded, sport-related disciplines.

The first attempt to provide professional preparation in sport management began in 1949 at Florida Southern College (Isaacs, 1964). It was a curricular program, approved by the Florida Department of Education, in baseball business administration. The curriculum included numerous specialized courses similar in content to those typically covered in modern sport management programs. This isolated attempt was short-lived, operating between 1949 and 1959, and did not promote a theoretically grounded research program typical of established academic disciplines. Nor did it directly produce a body of knowledge or the timely emergence of similar programs. As a result, it is not widely heralded as the first sport management program; that program would not begin until years later.

In 1957, Walter O'Malley, president of the Brooklyn Dodgers, approached James Mason, professor at the University of Miami, and proposed the concept of specialized education for aspiring managers in the thriving sport industry. Though the curriculum was not implemented at Miami, the concept would serve as the basis for the first graduate program in sport administration.

Sport Management: 1966 to 1979

The proposed sport management curriculum conceived by O'Malley and Mason became a reality in 1966 at Ohio University, which established the first master's degree in sport administration. Shortly afterward, Biscayne College (now Saint Thomas University) and Saint John's University offered the first undergraduate sport management degree programs. In 1971, the University of Massachusetts established the second master's degree program. At this point, academic preparation in sport management had been established. By 1980, 20 graduate programs in sport management had been developed in the United States; even so, true proliferation would take another decade.

1800s

1825

The first sports page, *Sporting Olio*, is published in the *American Farmer* in Baltimore, Maryland.

1844

The Young Men's Christian Association (YMCA) is founded.

1852

Yale and Harvard compete against each other in the sport of rowing; this event took place in Lake Winnepesaukee, New Hampshire, and is recognized as the first intercollegiate sport competition.

1891

Dr. James Naismith invents the game of basketball at a YMCA in Springfield, Massachusetts.

1893

The first sports section in a newspaper is published by the *New York World*, owned by Joseph Pulitzer.

1896

Athens hosts the first modern Olympics.

1897

The first Boston Marathon is held.

1900-1965

1904

The International Federation of Association Football (FIFA, after its French name, *Fédération Internationale de Football Association*) is established as the international sport federation for soccer.

1906

The Intercollegiate Athletic Association of the United States is formed at the behest of President Theodore Roosevelt; it becomes the National Collegiate Athletic Association (NCAA) in 1910.

1917

The National Hockey League is established with four teams in Canada.

1920

In response to the Black Sox scandal, Kenesaw Mountain Landis is appointed the first commissioner of Major League Baseball.

1921

Radio is used for the first time to broadcast a boxing match between Jack Dempsey and Georges Carpentier.

(continued)