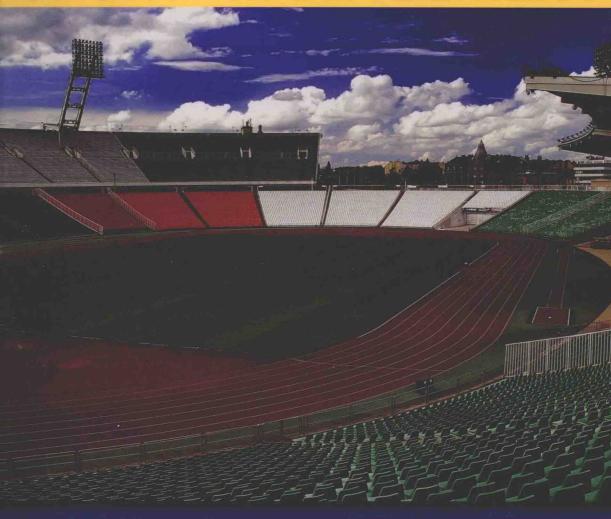
## FOURTH EDITION

# Principles and Practice of SPORT MANAGEMENT



Lisa P. Masteralexis | Carol A. Barr | Mary A. Hums

## FOURTH EDITION

## Principles and Practice of **SPORT MANAGEMENT**



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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 Fourth 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. 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 21 present overviews of major sport industry segments in which a sport manager could work, followed by case studies intended to spark debate and discussion. The last chapter, Chapter 22, 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, 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. 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 (NFL), 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. The second half of the text tends to have a somewhat different tone from the first half, as these chapters 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 Fourth Edition is full of current data and information. 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. New case studies have been added throughout the text. Specific updates include a new section on women in sport management and a sport management timeline in Chapter 1. Chapter 4, on financial principles, now includes information on the economic principles applied to sport management. The "Sport for All" movement and sport diffusion are discussed in Chapter 9. This chapter also has an updated discussion on doping and offers more coverage of sport tourism and sport in international markets. Chapter 10 provides a new case study focused on the conduct challenges facing the NFL. Chapter 11 provides a new discussion of the evolution of sport agencies and a look toward the future challenges in this industry. New chapters on sport and new media and the club sport industry, heavily focused toward golf, are great additions to the text intended to introduce students to new areas of career focus for sport management students. Chapter 22 offers practical advice on how virtual communities and social networking Web sites like Facebook and MySpace can affect the job search process.

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 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.

We have made some changes to the chapters and contributing authors since the last edition of this book. You should note that 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 *Fourth Edition*. We would like to thank those authors who did not participate in this edition, but whose original work remained a part of this book.

We also thank those faculty members who have adopted *Principles and Practice of Sport Management* for their classes and whose feedback we have incorporated into this edition. Specifically, we thank the reviewers of the *Third Edition*:

Paul Downing, MSS, ATC, Loras College Bonnie Everhart, PhD, Casenovia College Matt Garrett, PhD, Loras College Doak Geiger, University of Wisconsin, Milwaukee

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We also thank everyone at Jones & Bartlett Learning for their efforts in seeing this project through. Their enthusiasm for the text was a wonderful motivation for tackling the Fourth Edition. The competent efforts of Shoshanna Goldberg, Senior Acquisitions Editor; Amy Bloom, Senior Associate Editor; Julie Bolduc, Production Manager; and Jody Sullivan, Associate Marketing Manager, also lessened the burden of pulling this edition together because all were so patient on this journey.

Finally, we thank graduate students Michael McCarthy and Tara Mahoney from the Universities of Massachusetts and Louisville who provided great help through the editorial process.

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#### CHAPTER



## **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, 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 came along as the need for trained sport management professionals became apparent.

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 their sport organizations. One particular management structure won't work in all situations. History suggests that sport managers who are flexible and adapt 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.

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, we have placed one 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 put out 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 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 when trying to win than it is of players 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. The desire to create a meritocracy is implicit in modern sport—if you are 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 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 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 cuts in Asian men's competitions as well.

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 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-andball 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 mideighteenth 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: (a) the desire of owners to breed and train the fastest horses in England and (b) 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.