Learning Objectives

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.

**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 (Quartnerman & 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.

**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):
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).


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).


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.
The latest development in ticketing is M-ticketing, which is a barcoded ticket bought over the phone or online that can be sent to a customer’s mobile phone for scanning through the turnstiles at a stadium entrance. Also, computerized ticketing systems are encouraging digital marketing and promotions, such as Paciolan’s “PACMail,” which provide real-time reporting and analyses that measure the performance of client email marketing campaigns. By incorporating marketing and promoting online ticket sales, season renewals, subscriptions, and last-minute incentives, professional organizations and collegiate athletics departments are able to maximize ticket sales (Paciolan, 2013a).

Online surveys are being used for data collection by sport teams and organizations, providing information on fan demographics, purchasing decisions, and brand identity. Numerous sport teams have kiosks in their stadiums or arenas where fans can fill out in-game surveys, providing valuable information about the people attending the game.

In addition, sport managers use technology to access these data via their laptops and transform them into analyzed information for presentation to sponsors. With the explosion of the Internet and other multimedia interactive technologies, sport managers and sport management educators now face new challenges: how to analyze and benefit from the effects of expanding technologies on the sport industry and how to educate future sport managers who are entering into this rapidly evolving high-tech world.

**Decision Making**

People make decisions every day, ranging from simple to complex. All decisions consist of two basic steps: (1) gathering information and then (2) analyzing that information. For example, when you got up this morning, why did you choose the clothes you have on? Because they matched? Because they were clean? Because they were on the top of the clothes pile? Because of the weather? Because you had a presentation to give in class? Although this is a relatively simple decision (for most people), other decisions are more complex. Think about choosing a college major: What made you decide to major in sport management as opposed to management or accounting or theater management? This choice involves decision making on a much deeper level.

Sport managers have to make decisions about how to pursue opportunities or solve problems every day. Sport managers, therefore, need to have a comprehensive understanding of the opportunity or problem and engage in a decision-making process that will lead to an effective decision. The classic model of decision making has four steps (Chelladurai, 2009):

1. **Problem statement/framing the problem.** This first step involves defining the goal to be achieved or the problem that needs to be solved.

2. **Generating alternatives.** The next step involves determining as many courses of action or solutions as possible.

3. **Evaluate alternatives.** The evaluation of each alternative identified takes place in this step. This evaluation may involve cost determination, risk identification, and the effects the alternative will have on employees.

4. **Select the best alternative.** The manager makes and implements the final decision here. Following an organized decision-making process helps ensure consistent decision making throughout the sport organization and ensures that no piece of important information is overlooked.

There is one other consideration for sport managers when making decisions: When is it necessary to include group input and feedback in the decision-making process? **Participative decision making** involves employees or
members of the organization in the actual decision-making process. There are benefits as well as drawbacks to using the participative decision-making process within an organization. According to the Holden Leadership Center (2013) at the University of Oregon, the benefits of group decision making include a greater sum total of knowledge and information, a greater number of approaches to a problem, increased acceptance due to participation, better comprehension of decisions, and greater commitment of group members to decisions. Conversely, the potential downfalls of group decision making include social pressure, individual domination, conflicting secondary goals, risk taking, and the time needed when a group is used in the decision-making process (Holden Leadership Center, 2013).

Organizational Politics

What is meant by the term organizational politics? Organizational politics are a way of life. The degree of organizational politics varies from one organization to another, but the reality is that all organizations experience some degree of internal political struggle that can rip them apart if not managed appropriately. Dealing with this struggle takes a keen awareness of the landscape, players, and rules of the political game (Bolander, 2011). Although somewhat intangible and hard to measure, politics pervades all sport organizations (Slack & Parent, 2006). Organizational politics and political behavior are met with mixed results. Some people believe that political behavior is demeaning and possibly destructive to an organization. Others view politics as a way of accomplishing goals and objectives. Whatever their beliefs on the subject, sport managers must be aware of the presence of politics within their organization and the different types of political tactics people may use. Four generally accepted types of political tactics used in organizations are as follows (Slack & Parent, 2006):

1. Building coalitions with others to increase a person’s political power
2. Using outside experts to support or legitimize a person’s position
3. Building links or creating a network of contacts with people inside and outside the organization
4. Controlling information, thereby influencing decisions and the outcomes of decisions within the organization

What is most important for future sport managers is that they learn to be aware of the political environment around them. Who is truly the most “powerful” person in a sport organization? Sport organizations, like all organizations, have two different types of leaders: formal and informal. The formal leader is a leader because of title, such as athletic director, director of community relations, or store manager. The formal leader may indeed be the person who holds the most power in an organization and is able to influence employees in achieving organizational goals. Informal leaders, by contrast, are leaders because of the power they possess from knowledge, association, or length of time with an organization. Informal leaders may be very influential in terms of what takes place within an organization. For example, if the coaches in an athletic department are trying to convince the athletic director to make some sort of change, they may ask the coach who has been there for many years, knows the ins and outs of the organization, and knows how to persuade the athletic director to speak on their collective behalf. Alternatively, the coaches may ask the coach of the team with the largest budget or one of the higher profile coaches to talk to the athletic director about making this change. Identifying informal
leaders can help new sport managers understand the politics of a sport organization.

**Managing Change**

Sport organizations change on a daily basis. New general managers are hired, teams move into new facilities, league policies and rules change, health clubs purchase new fitness equipment, and environmental use laws affect state or national park recreation areas. Change can be internally driven, such as a professional sport team implementing a new ticket distribution system, or externally driven, such as changes dictated by new government regulations or changes in consumer demand. Life is all about adapting to change and so, too, is the sport industry.

Although most change happens without major resistance, sport managers have to be aware that people tend to resist change for a number of reasons including fear of failure, being creatures of habit, perceiving no obvious need for change, feelings of loss of control, concern about support systems, being closed-minded, unwillingness to learn, a fear that the new way may not be better, a fear of the unknown, and a fear of personal impact (Peter Barron Stark Companies, 2010). For example, a sales representative for a sporting goods company who is assigned to a new geographic area may resist because he or she is scared about getting a new territory (fear of the unknown), may be concerned that the potential for sales and commissions is lower in the new territory (the new way may not be better), may have had friends in the old territory (concern about support system), may now have a territory not as highly regarded in the company (fear of personal impact), may wonder if he or she will be able to establish new contacts (unwillingness to learn), or may just see the change as another hassle (no obvious need for change). Although not all of these reasons may be present, sport managers need to be aware of what employees may be thinking. Buckley (2013, para. 3) suggests examining five questions to determine if a change can succeed:

1. How is the vision different, better, and more compelling?
2. Are the leaders personally committed to the change?
3. Does the organization have the capacity to make the change?
4. How ingrained is the current culture?
5. Will the change actually deliver the identified outcomes?

How, then, should sport managers effectively implement change in the workplace? When managing change, managers should do the following (Douglas, 2010, para. 10):

1. Review the process you want to change and determine exactly what you want to do and why.
2. Carefully consider the risks associated with the change and what affect the risks will have on your employees.
3. If the change appears feasible, consult carefully with your employees and, if relevant, their union.
4. Undertake a careful assessment, based on data and acceptable workloads (through internal and external research) in consultation with your employees.
5. Provide an opportunity for the employees and the union to read the report and comment. If there are criticisms, determine what the particular issues are and consider them carefully.
6. Amend the report, utilizing best knowledge and then, prior to implementation, walk everyone through the proposed changes,
why they are being implemented, and why they are safe.

7. Implement the changes and have legal directions and a set of frequently asked questions and answers available in the event of a dispute.

8. Sport managers need to be keenly tuned into how employees are responding to change so that any resistance can be dealt with fairly and honestly.

Motivation
The ability to motivate employees to strive to achieve organizational goals and objectives as well as their personal goals and objectives is an art form. For example, both a head coach and a player for an NBA team want their team to win. The player also knows, however, that his personal game statistics will determine his salary. As a head coach, how do you motivate a player to be a “team player” (organizational goal) while still allowing him to maximize his personal statistics (personal goal)?

Theories of motivation abound, with works including Maslow’s hierarchy of needs, Herzberg’s two factor ideas, Vroom’s expectancy theory, and Adam’s equity theory (Luthans, 2005). After reviewing these and other theories, Lipman (2013) points out five practices that can raise the level of employee motivation:

1. Align individual economic interests with company performance.
2. Take a genuine interest in the future path of an employee’s career.
3. Take a genuine interest in an employee’s work–life balance.
4. Listen.
5. Do unto others as you would have done unto you.

Motivating employees on a daily basis is a constant challenge for any sport manager. For a sport organization to be successful, it is critical for everyone to be on the same page when it comes to working to accomplish organizational goals and objectives.

Taking Initiative
“What else needs to be done?” Sport managers should be ready to ask this important question at any time. When evaluating employees, one of the characteristics an employer in the sport industry looks for is initiative (Robinson, Hums, Crow, & Philips, 2001). No doubt, speaker after speaker from the sport industry has visited or will visit your classroom and talk about the importance of taking initiative in his or her sport organization. This will be especially true when you do your internship. When you have the opportunity to help out with an additional task, take advantage of that opportunity. First, it may enable you to learn about a different aspect of the sport organization with which you are working, and learning is a valuable skill in and of itself (Bower, 2009). Second, it may allow you to meet and interact with people outside of the office you work in, thus increasing your network. Finally, it shows your employer your commitment to working in the industry. Working in the sport industry is not always easy. The hours are long, the pay is low, and the work is seemingly endless. People in the organization recognize when someone is willing to do what is necessary to make sure an event happens as it should. Remember, “first impressions last,” so leave the impression at your workplace that you are willing to work hard and take initiative.

Current Issues
Diversity in the Workforce
As mentioned in the previous section, the demographics of the North American
workforce are ever changing. Sport management professionals need to stay abreast of these changes. Women, racial/ethnic minorities, people with disabilities, people from different nations, people with different sexual orientations, and people with various religious backgrounds all contribute to the sport industry. Sport organizations embracing diversity will be seen as the leaders in the twenty-first century; those who do not will be left behind. Sport managers need to stay on top of the latest legislation and managerial theories in their efforts to help their organizations become truly multicultural. In addition to staying knowledgeable about the current status of diversity in the sport management workforce, it is important for sport managers to be proactive. One suggestion is for sport managers to perform a self-study of their organization to evaluate their effectiveness in terms of recruiting and employing women, racial/ethnic minorities, people with disabilities, people with different sexual orientations, and people from different nations and religious backgrounds. The development and implementation of strategies involving recruitment and employment methods can then take place to encourage diversity in the workplace.

Managing Technology
As mentioned earlier, the technology that sport managers work with is changing every day. Sport managers need to be aware of how these changes affect the segment of the sport industry in which they work and how new technologies can be incorporated into the workplace. It is imperative that sport managers understand how expanding technology will improve customer relations and service. Internet sites such as Universal Sports, ParalympicSport.TV, and ESPN3 are changing how fans consume sport media. Social networks now heavily influence sport organizations, and many sport consumers are Facebook and Twitter users. Just as the computer replaced the typewriter and email and text messaging are replacing phone calls, the next wave of technology will affect how sport managers run their daily business operations.

International Sport Management
Sport management is not unique to North America. Sport, and with it the field of sport management, continues to grow in popularity throughout the world. For example, Europe has a number of successful major professional soccer and basketball leagues as well as motor sports events. The Olympic Games, the Paralympic Games, the World Cup, and other multinational events are important elements of the sport industry.

In addition, U.S. professional sports leagues are increasingly exporting their products around the world. The NBA has 15 offices around the world, and in 2012 the NBA Finals were broadcast to 215 countries and in 47 different languages (Jessop, 2012). The NFL has broadcast packages for international TV viewers (The Deadline Team, 2013). An NFL regular season game is held at London’s Wembley Stadium (NFL London, 2009), and the Jacksonville Jaguars have agreed to play games in London from 2013 to 2016. MLB focuses on worldwide growth and international activities through Major League Baseball International (MLBI) (MLB International, 2013). Opening Day series have been played in Japan, and 2010 saw exhibition games between the Dodgers and Padres in China (Major League Baseball, 2010). The 2014 season opened with a series in Australia (Major League Baseball, 2013). The World Baseball Classic continues to create excitement among fans from many nations. Sport managers from North America working abroad must be aware that they cannot unilaterally impose domestic models of sport governance on other cultures. Differences exist in terms of language, culture,
etiquette, management, and communication styles. Sport managers need to learn, understand, and respect these differences when working in the international sport marketplace.

Additional Management Theories
Management theories and approaches to management are constantly changing, with new thoughts and ideas taking hold on a regular basis. Two of the more recent approaches to management are empowerment and emotional intelligence. **Empowerment** refers to encouraging employees to take initiative and make decisions within their area of operations (Luthans, 2005). Workers within the organization are provided with appropriate information and resources in making these decisions. As such, empowerment encourages innovation and accountability on the part of the employee (Luthans, 2005). The idea behind empowerment is that the employee will feel more a part of the organization, be more motivated, and therefore perform more effectively. In his book *Good to Great* (2001), Jim Collins conducted research on those companies that achieved long-term success and superiority. His findings support the empowerment approach to management and identify a culture of discipline common among “great” companies. Collins found that good-to-great companies build a consistent system with clear constraints, but they also give people freedom and responsibility within the framework of that system. They hire self-disciplined people who do not need to be managed and then manage the system, not the people (Collins, 2001).

**Emotional intelligence** was first defined in the 1980s by John D. Mayer and Peter Salovey but has received more attention with the studies of Daniel Goleman (Goleman, 1997). People at work may experience a variety of different emotions, both positive and negative. These emotions can be detrimental to the work process and organizational work environment. Emotional intelligence refers to the ability of workers to identify and acknowledge these emotions when they occur, and instead of having an immediate emotional response, to take a step back, allowing rational thought to influence their actions (Goleman, 1997).

Beyond the Bottom Line
In the twenty-first century, sport managers are more accountable than ever for looking at how their organizations can act in a socially responsible manner (Babiak & Wolfe, 2009; Bradish & Cronin, 2009; Cortsen, 2013). Sport managers now need to think about how their organizations will contribute to society in relation to issues such as sport and the environment, sport and human rights, and sport for development and peace (Hums, 2010; Hums & Hancock, 2011). These are new skill sets and knowledge areas for managers in the sport industry, but they are becoming more and more essential in the international sport marketplace.

Summary
Sport managers today face rapidly changing environments. One constant, however, is the necessity to successfully manage the sport organization’s most valuable resource: its people. The workforce of the twenty-first century will be vastly different from the workforce of even the recent past. The influence of people of different cultures, rapidly changing technologies, and the globalization of the marketplace all make it necessary for tomorrow’s sport managers to adapt. The measures of a good sport manager are flexibility and the ability to move with changes so that the sport organization and, more importantly, the people within that sport organization, continue to grow and move forward successfully into the future.

Functional areas of management have been used to explain and prepare managers for the
various activities they get involved in as a result of their management role. These functional areas include planning, organizing, leading, and evaluating. In fulfilling these functional activities of management, managers employ a variety of skills essential to their success in this role. The skills discussed within this chapter include people skills, communication skills (oral and written), diversity management skills, technology management, decision-making skills, organizational politics awareness, managing change, motivating employees, and taking initiative.

Sport managers in today’s sport organizations need to be aware of constantly evolving management schools of thought and ideas, learn from these theories, and incorporate what works best within their organizations. Sport managers also need to think of their organizations in terms of being good corporate citizens. Management is all about finding the best way to work with employees to get the job done. The fact that there is no one best way to manage underscores the excitement and challenge facing managers today.

**Key Terms**

- communication skills
- decision making
- delegation
- diversity
- emotional intelligence
- empowerment
- evaluating
- human relations movement
- initiative
- leading
- managing change
- managing technology
- motivation
- organizational behavior
- organizational politics
- organizing
- participative decision making
- people skills
- planning
- scientific management

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