

# Chapter 1

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## History of Sport Management

### Learning Objectives

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

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

## Introduction

The contemporary sport industry is complex and has unique legal, business, and management practices. As a result, many of the ways this industry is organized are unique, too. The organization of sport has developed over the past 150 or so years and continues to evolve. In recent years, 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 discusses how women and racial ethnic minorities have made their mark on the industry. Finally, the chapter addresses the development of the sport management academic discipline, which evolved as the need for trained sport management professionals became apparent.

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

Many events have shaped the world of sport and the sport industry. While it is nearly impossible to create a timeline that hits all the highlights, one is included at the end of this chapter for your reference. This timeline 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 the timeline—it is a great class discussion starter!

Two secondary themes run throughout this brief examination of the history of sport management structures: honesty and inclusion. The legitimacy of modern sport demands honest play, or at least the appearance of honest play. Nothing in sport is more reviled than the athlete who does not try. An athlete who does not exert an honest effort is a spoilsport. Players who throw games are sellouts. So critical is the perception of an honest effort that sport managers will ban people from their sport for life if they tarnish the game through 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 some structures have been implemented to level the playing field (e.g., drafts, salary caps), disparities among teams remain, giving some teams advantages over others. The public is much more tolerant of players breaking the rules when trying to win than it is of players throwing games. The public’s notion of what ensures an honest effort also changes over time. One issue addressed throughout this chapter is how sport managers have changed or adapted sport to ensure the appearance of honesty as broader structures within society have changed.

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

requirements. International governing bodies, as well as local leagues, have citizenship and residency requirements. On this basis, 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 an understanding of both sport-specific issues and broader social issues. When it comes to who gets to play, what seems “fair” at a particular juncture in history often reflects broader social beliefs. For example, not long ago it would have been unthinkable for girls to play Little League Baseball or for women to compete against men on the Professional Golfers’ Association (PGA) TOUR. Although it is still unusual, women have competed in PGA tournaments. Michelle Wie, for example, played against men in 14 tournaments, including eight PGA TOUR events. Both Wie and Si Re Pak have made the cut in Asian men’s competitions as well.

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

Many of these practices now seem antiquated and are perceived as unfair. Given that notions of what makes for honest play and who should be allowed to play or watch sport change over time, sport management likewise has evolved 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 fi ld,

all the variations of football, and stick-and-ball games such as baseball, fi ld 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 British colonists 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, acted to settle disputes between teams or horse owners, 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, 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 horse races were local events, often associated with holidays or horse sales. By the mid-eighteenth century, thoroughbred racing and breeding had established a broad following among the English aristocracy. Local groups of breeders organized races. Horse owners arranged the events, put up purses, and invited

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

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

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

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

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

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

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

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

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

were fixed. As a result, conventional methods could not be counted on to adequately police the sport (Henriches, 1991).

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

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

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

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

Cricket, boxing, and other English sports eventually adopted the management and organizational structures developed in thoroughbred horse racing. In each case, one club

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

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

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

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





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

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

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

The first modern Olympic Games were a 9-day event and drew 311 athletes from 13 nations. The participants were exclusively amateurs. Most entrants were college students or athletic club members, because the concept of national teams had not yet emerged. Clubs such as the Boston Athletic Association, the Amateur Athletic Association, and the German Gymnastics Society sent the largest delegations. Spectators filled the newly built Panathinaiko Stadium to watch the Games, which featured nine sports: cycling, fencing, gymnastics, lawn tennis, shooting, swimming, track and field, weight lifting, and wrestling (Ministry of Culture—General Secretariat for Sports, 1998). In several subsequent Olympic Games (Paris, St. Louis), however, the event floundered. The Games did not hit solid footing until—perhaps not surprisingly—London hosted them in 1908.



### The Club Structure Today

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

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

Once the dominant management structure of elite sport, the club system is now slowly being replaced by other sport management structures. Clearly, the Olympic Games have changed dramatically from the early days; they now resemble the tournament structure

discussed later in this chapter. Probably the most dramatic change was the decision to allow professional athletes to play in the Games. Beginning in the 1970s, amateurism requirements were gradually phased out of the Olympic Charter. After the 1988 Games, the International Olympic Committee (IOC) decided that professional athletes would be eligible to compete at the Olympic Games. Without amateurism, the last remaining vestige of chivalrous, fair, and clean sport is the IOC's rigorous drug testing of athletes, although it is even being called into question in recent years.

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

Clubs are also no longer local in nature. Today's large clubs feature players from all over

the world. For example, in the 2010 World Cup, members of the French national soccer team played for clubs in several different countries, not just clubs in France. A look at the roster of the Real Madrid team lists players from not only Spain but also Brazil, Germany, and Argentina.

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

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



Courtesy of Library of Congress Prints and Photographs Division, FSA-OWI Collection [LCUSF34-055212-D DLC]

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

Whereas European clubs emphasized sport to attract large and broad memberships, the most prestigious clubs in the United States

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

Nineteenth-century thoroughbred horse racing in the United States, although occasionally wildly popular, repeatedly fell on hard times. One obstacle to the club system in the United States was the country's lack of an aristocratic tradition equivalent to the one that had given the club system both its means of support and its legitimacy in Europe. Another was the political power of religious fundamentalism, which periodically limited or prohibited gambling (Adelman, 1986).

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

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

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



As the popularity of informal harness races grew, enterprising racing enthusiasts staged races on the oval tracks built for thoroughbred racing. Track owners—whose primary business was suffering from a lack of public enthusiasm for thoroughbred racing—were eager to rent their tracks to harness racers. Promoters began to offer participants purse money raised through modest entry fees and paid track owners rent by charging admission (Adelman, 1986).

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

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

The management structure of harness racing was also distinct from that of thoroughbred racing. Track owners and race promoters managed the sport. Unlike members of Jockey Clubs, these entrepreneurs’ livelihood

depended on gate revenues, so they catered to spectators. Ideally, promoters tried to match the best horses against each other to build spectator interest.

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

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

## Leagues

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

## **William Hulbert's National League**

At first, baseball was organized according to the club system. Club leaders organized practices, rented field time, and invited other clubs to meet and play. Loosely organized leagues formed, encouraged parity of competition, and regulated competition between social equals. For example, the famous early team known as the Knickerbockers played games in Hoboken, New Jersey, to ensure they competed only against upper-class teams who could afford the ferry ride over and back from New York.

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

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

In 1871, a group of professional baseball teams formed the **National Association of Professional Baseball Players** and split off from the amateur club system. Any club willing to pay its elite players could join. This association, like other club sports, still depended on the patronage of its well-off members and consequently lacked stability. Members managed and participated in sporting activities haphazardly, and the break-even financial interests of

individual clubs carried more authority than any association of clubs. It was common for teams to form, fall apart, and re-form within a season (Adelman, 1986; Leifer, 1995; Seymour, 1960).

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

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

Learning from the earlier experiences of owners and supporters walking away when a team began to lose money, Hulbert structured the National League to force team owners to take a financial risk. Previously, teams simply stopped playing when they began to lose money, much like a Broadway show which closed when it failed to attract an audience. Hulbert understood how ending a season early to decrease

short-term costs eroded the long-term faith of the public. In Hulbert's league, teams were expected to complete their schedules regardless of profit or loss.

Tying team owners to a schedule resulted in costs from fielding a bad team and benefits from having a competitive team. Hulbert understood that fans like to see teams in earnest competition with one another. The public, he knew, would have more faith in a structure in which owners needed to field winning teams to make profits.

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

Hulbert also understood that the integrity of baseball would become suspect if the public questioned players' honesty. Baseball became popular at the height of the Victorian period in the United States, a time when large segments of Middle America followed strict cultural conventions. Many people in the United States adhered to religious rules prohibiting gambling and drinking—staples of the sporting subculture. Hulbert needed to create a cultural product that did not offend the sensibilities of the middle and upper classes. To appeal to this large market segment, he prohibited betting at National League ballparks. He also prohibited playing games on Sunday and selling beer at ballparks. The Cincinnati club objected to the no-liquor rule and was ultimately expelled from the National League (*Sportsencyclopedia*, 2002). Hulbert tried to clean up the atmosphere at ballparks further by banning “unwholesome

groups” and activities from the game. He raised ticket prices to decrease the number of working-class patrons and make the games more appealing to the “better” classes (Abrams, 1998).

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

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

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

Hulbert's solution was to create the pennant race—a revolutionary idea in 1876. The success of the National League depended on spectators viewing baseball as a series of games, rather than as a single event or a tournament. A genuine pennant race requires fairly even

competition. In other words, for the league to be a successful business, even the best teams had to lose a substantial portion of their games (Leifer, 1995).

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



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

The National League structure tied teams' appeal to community pride. The "home team" concept developed out of Hulbert's league rules, which prohibited placing more than one National League team in or near any current National League city. The rules also prohibited teams from playing non-League teams within the same territory as a National League team (Seymour, 1960). Adhering to this prohibition required discipline on the part of team owners, because non-League games, especially against local non-League rivals, generated strong short-term profits. By avoiding "independent" clubs in National League cities, the League promoted the notion that National League teams represented the community exclusively. This type of

fan allegiance was different than the English club loyalty based on membership.

The notion of a team's "territory" persists in the management of major and minor league baseball as well as in all other league sports (e.g., National Basketball Association [NBA], National Football League [NFL], National Hockey League [NHL]). Back in the 1870s and 1880s, independent teams, languishing from the National League's rules on exclusivity and territoriality, moved on to non-League cities and some attempted to create new leagues. Over time, however, spectators increasingly identified the National League teams with both their cities and superior performance (Leifer, 1995).

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

The league structure enjoyed a significant boost from newspapers, another rapidly expanding U.S. institution. Although the initial response to the National League by the media was generally unfavorable (Vincent, 1994), newspapers in cities with teams in the League soon warmed to the idea of a pennant race. In the 1870s, most major cities supported a dozen or more newspapers. One effective way



to attract readers was to cover local sporting events. Newspapers played up the concept of the hometown team in a pennant race to hold the attention of sports fans between games. Reports on injuries, other teams' records, players' attitudes, and coaching strategies were given considerable coverage before and after games. Presenting baseball in terms of an ongoing pennant race sold newspapers and underscored Hulbert's desire to promote continuing attention to and attendance at regular season games (White, 1996).

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

### Leagues Today

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

The audience has changed over time, however. The need to see teams as independent firms has faded. The most recent start-up leagues such as the Women's National Basketball Association (WNBA) and Major League Soccer (MLS) have used a single-entity

structure, in which each team is owned and operated by the league, though these leagues moved away from this model as they matured. The public's perception of locus of honest effort resides more with the players than it does with the ownership structure.

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

## Professional Tournament Sports: Mixing Business and Charity

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

### Professional Golf

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Many early golf professionals were European men brought to the United States by country clubs to help design, build, and care for golf courses and teach the finer points of the game to club members. By its very nature, golf was an exclusive game—one that catered to upper-class white males. Although these golfers were technically professionals, they were much different from the tournament professionals of today's Ladies Professional Golf Association (LPGA) and Professional Golfers' Association (PGA). The early golf professionals were club

instructors and caddies who made extra money by giving exhibitions. Golf manufacturers hired the best-known professionals as representatives to help publicize the game and their brands of clubs at exhibitions and clinics.

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

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

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

### Corcoran's Tournaments

**Fred Corcoran**, the architect of the professional golf tournament, understood the unique qualities of golf. Golf, he wrote, “operates upside down” in comparison to other sports. “The players have to pay to tee off, and they use facilities

constructed for the use of the amateur owners who, occasionally, agree to open the gates” to professionals (Corcoran, 1965, p. 246).

To manage this “upside down” sport, Corcoran took his lead from Hollywood and advertising executives. Corcoran used athletes and golf tournaments the same way newspapers used news—to sell advertising space to the public. Corcoran never promoted golf strictly as entertainment. The golf tournament, for Corcoran, was the medium through which a celebrity, a local politician, a manufacturer, a charity, a town, or a product gained exposure—in short, he sold the event. As a result, the contemporary professional tournament, unlike other sports operating 50 years ago, was less dependent on ticket sales and more dependent on sponsorship from community groups and corporations.

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

One of Corcoran's first contributions to the professional golf tour was the creation of the financially self-sufficient tournament. Prior to 1937, the PGA, through entry fees, had guaranteed to pay the players' purse to entice communities to sponsor tournaments. Corcoran, who had spent a decade organizing amateur tournaments in Massachusetts, understood the potential revenue that a tournament could produce for a community. He was able to convince communities to take responsibility for providing the purse by demonstrating how the revenue generated by 70 professional golfers eating in

restaurants and sleeping in hotels would be three times greater than the minimum \$3,000 purse (Corcoran, 1965).

Corcoran enhanced the tremendous growth in competitive golf by sharing status with celebrities like actor/singer Bing Crosby. In addition to being a famous movie star and singer, Crosby was a sports entrepreneur associated with horse racing and golf. In 1934, Crosby orchestrated the first celebrity professional and amateur (pro-am) tournament preceding a men's golf tournament to raise money for charity. The combination of a celebrity and a pro playing together on a team in a mock tournament was extremely successful. Amateur golfers, celebrities, and community leaders paid exorbitant fees to participate. Although these funds were directed toward charity, there were also spin-off professional golf benefits. The appearance of celebrities not only enhanced the athletes' status, but also increased attendance, thereby increasing the proceeds for charity and the exposure for professional golf. Since the 1930s, the celebrity pro-am has been the financial core around which most professional golf tournaments have been built (Graffis, 1975).

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

Tying professional golf to charity was good business, in addition to being good for the community. Donations to charitable organizations were fully tax deductible. Local businesspeople not likely to benefit directly from a golf

tournament were more easily persuaded to contribute to the tournaments when offered tax deductions as incentives. In addition, a good charity attracted the hundreds of volunteers and essential in-kind donations needed to run a tournament. Further, a charity with broad reach and many volunteers acted as a promotional vehicle for the tournament. Thus, Corcoran transformed a potentially costly, labor-intensive event into a no-cost operation. By appealing to the altruism of a community to host a tournament, Corcoran obtained a tournament site, capital, and event management for no cost.

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

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

Corcoran's adaptation of Crosby's celebrity tournaments to tournaments funded by advertising for clothing foreshadowed the immense corporate involvement in contemporary professional tournaments. Even so, professional golf was not able to take full advantage of corporate interest in athletes until the late 1950s. Up to that time, the major media wire services, Associated Press and United Press International, followed a policy of using the name of the city or town to distinguish a tournament. They argued that using the name of the corporate sponsor was a cheap way to avoid paying for newspaper advertising. In the late 1950s, however, the newspaper industry reversed its policy and agreed to call tournaments by the name of their corporate sponsors. Thus, by sponsoring a national sporting event, a corporation gained tax-free exposure to a target market in the name of charity (Graffis, 1975). In the end, professional golf, charities, and corporations all benefited from this arrangement.

### **Tournaments Today**

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

Associations such as the PGA have long been viewed as private groups who set their own

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

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

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

It is important to note that *how* the story of the growth of the sport industry is told is very



much shaped by *who* is telling the story. While the sport industry in the United States was primarily established and maintained by white males, they are not the only people who helped the industry flourish. The next section discusses the inclusion of people of color and women in the sport industry over the years.

## Inclusion and Innovators: Heroes and Heroines of Sport Management

In this first chapter, we presented the history of the development of the sport industry. Throughout this chapter, we mentioned a number of innovative sport managers, and authors in the other chapters throughout this text will mention additional names. A text such as this brings together information across different sport industry segments so that the reader is exposed to as broad a landscape of the industry as possible.

One reason (though obviously not the only one) for studying the history of the sport industry is to provide the reader with a foundation for success. We want you to know about heroes and heroines from the past so that you might admire, study, and emulate them.

But who are we to tell this story? And whose story gets told? History is typically written by those who win out, and it is usually the story of who won. For years, the mainstream sport industry, like business journalism and academia, has been dominated by the people in the majority—namely, white men. We want to make it very clear that women and people of color have been successfully managing sport for a long time. The accomplishments of marginalized managers of color and women often get incorporated into mainstream sport, but then their work gets forgotten. Without some intention on the part of historians, the story of their accomplishments risks being lost. We believe students—all students—deserve to see

themselves in the stories we tell about ourselves as an industry.

This section introduces a selection of innovative managers and their contributions. We cannot include all the innovators, so we feature a small diverse group from a variety of sports and time periods to give you an idea of how innovative managers have changed sport. Our intent here is to provide the future sport manager with a starting point to recognize and embrace the notion and impact of innovation—a skill that never goes out of style. Perhaps you have heard their names, but perhaps not. Here you will be introduced to the stories of E. B. Henderson, Effa Manley, Billie Jean King, and Mark H. McCormack.

E. B. Henderson may be the most significant sport manager and promoter from the first half of the twentieth century. Other promoters of the time, like Tex Richard, may be more famous, but Henderson may have actually done more to shape sport, especially amateur/college basketball. He was inducted into the Basketball Hall of Fame in 2013 for his contributions.

In 1904, Henderson was introduced to the game of basketball while a student at a Harvard summer training program for physical education teachers. As an African American, when he came home to Washington, D.C., he faced discrimination at the local YMCA. Barred from even watching the game he loved, Henderson set out to organize basketball for African Americans.

In 1906, Henderson formed the first African American athletic conference, the Interscholastic Athletic Association (ISAA). This conference promoted the game of basketball, especially in the geographic area in and between New York City and Washington, D.C. Henderson's organizational skills laid the foundation and set up a structure for league and tournament play for historically black colleges and universities (HBCUs) (Cooper, Cavil, & Cheeks, 2014). It is important to realize that Henderson was

organizing black collegiate sport during the same period when historically white schools were struggling to find some footing and the Olympic Games were floundering following the disastrous games in St. Louis. The point is that many of Henderson's management practices and tournament structures predate those of predominantly white organizations and leagues.

Shortly after establishing the ISAA, Henderson founded a youth basketball team at the black YMCA in Washington, D.C. After quickly turning this group into a national champion team, he petitioned Howard University to accept the 12th Y team as its varsity squad. Henderson coached the collegiate team to the 1910–1911 Colored Basketball World's Championship title (Lindsay-Johnson, 2017).

For Henderson, black scholastic sport, collegiate sport, and amateur sport were more than games. He embraced the notion of the politics of respectability, and saw education, culture, and sportsmanship as venues in which to demonstrate that African Americans should be full members of American society (Henderson, 1911). Cultivating black scholars/athletes was a worthy pursuit in and of itself, but was also a political tactic. An advocate of physical education and sport, Henderson's love for organizing, writing about, and promoting black basketball (and black sport in general) was driven by an undying passion for racial justice (University of the District of Columbia, 2017). If you appreciate Henderson's highly principled approach to sport, you might also admire Branch Rickey (baseball) and Pierre De Coubertin (Olympic Movement) for their embrace of this approach in other areas of the sport industry.

Another African American who left an imprint on the sport industry was a part of Negro League baseball. The Negro Baseball Leagues transformed major and minor league baseball. All Star games, night games, and between-inning clowning around and

entertainment were a direct result of the innovations in Negro Baseball Leagues. The person behind many of these additions to the industry was Effa Manley: Not only did she contribute to the success of Negro League baseball, but she was also one of the first significant modern female sport managers (O'Connor-McDonogh, 2007). As co-owner of the Newark Eagles in the Negro Baseball League from 1936 to 1948, Manley was responsible for the day-to-day operations of the ball club and was active in league management (Berlage, 1994; Luke, 2011). During the Great Depression and during World War II, she ran a successful Negro League team; then, as the sole owner of the Newark Eagles, she won the Negro League championship in 1948.

Manley tussled with Branch Rickey over the method and manner of integration of Major League Baseball (MLB) and Rickey's contention that the Negro Leagues were not organized. The Negro Leagues avoided restrictive contracts that reserved players from one year to the next, recognizing that such arrangements were uncomfortably close to a master-slave arrangement. When white teams began signing Negro League players, they did not compensate the Negro League teams for the loss of those players' services, arguing that MLB teams were not obligated to do so because the Negro League players were technically not under contract. Manley fought the MLB owners, insisting that it was necessary to compensate the teams that organized black baseball, honed the skills of some of the most talented ballplayers, and developed an audience for baseball. Ultimately, she received \$15,000 compensation from Bill Veeck of the Cleveland Indians after he signed Larry Doby, and thereafter it became standard practice to compensate Negro League team owners when their players joined MLB.

For her contributions to professional baseball, in 2006 Manley became the first and only woman elected to the Baseball Hall of

Fame in Cooperstown, New York (National Baseball Hall of Fame, n.d.). Other women who have been successful sport managers in men's sports include Kim Ng (baseball), Lesa France Kennedy (motorsports), Michele Roberts (basketball), and Val Ackerman (basketball).

On occasion, an athlete becomes an innovative sport manager. As an example, Phil Knight, the founder of Nike, was a runner at the University of Oregon. Only rarely, though, does a superstar athlete become a managerial innovator. Billie Jean King is the exception. While perhaps best remembered for her dominance on the tennis court in the late 1960s and the early 1970s and her victory over Bobby Riggs in the 1973 "Battle of the Sexes," King also transformed tennis off the court. Just consider that King was instrumental in establishing the Women's Tennis Association (WTA) and was a founder of *WomenSports* magazine, World Team Tennis, the Women's Sports Foundation, and the Billie Jean King Leadership Institute, which was established to provide opportunities for inclusive leadership around the world (Lough, 2007; Women's Sports Foundation, 2011, 2017b).

King's executive contributions to sport grew out of her unhappiness with the pay differential between the men's and women's tennis tournaments during the late 1960s and early 1970s. In those years, men were paid four to five times more prize money than women. King, supported by some other players, threatened to form a professional women's tennis circuit if the women's prize money and tournament opportunities did not become more equitable. When the tennis establishment balked at the athletes' demands, in September 1970, King and eight other players (later called the "Original 9"), along with Gladys Heldman, the publisher of *Tennis World* magazine, started a new professional tennis circuit for women (Women's Sports Foundation, 2017a). The first sponsor was

Virginia Slims, a cigarette branded for women. By the end of the year, 40 players had joined the Virginia Slims World Championships Series. The Virginia Slims circuit would later grow into the WTA (Women's Sports Foundation, 2017a).

A tireless advocate for women's rights in sport, King also led the charge for other under-represented groups as well, particularly the lesbian/gay/bisexual/transgender (LGBT) community. For her tireless work and innovative thinking devoted to improving the position of women in sport, the annual site of the U.S. Open Grand Slam event was named the USTA (U.S. Tennis Association) Billie Jean King National Tennis Center in her honor. If you admire superstar athletes who left a mark on the management of the game, you might also like to know more about John Montgomery Ward (baseball), Oscar Robertson (basketball), and Edwin Moses (track and field).

While King fought for equity for female tennis players, Mark H. McCormack radically transformed how the sport industry generated revenue. One *Wall Street Journal* sport business writer called McCormack "the man who invented sports" (Futterman, 2016). That may be a bit of an overstatement, but in the 1960s and the 1970s McCormack forced the sport industry, as well as the public, to recognize that athletes were much more than laborers—that is, they had value well beyond the game. McCormack's innovative thinking empowered athletes, grew the economic potential of the games they played, and as a result transformed sport.

McCormack started out representing golfers and tennis players, first by managing their business lives outside of the game, creating sponsorship deals and exhibitions. Later, he began creating events for his athletes. If the golf or tennis circuit did not have enough tournaments in large enough markets, McCormack created them. If the events were not filmed and sold to television, he would do that, too. Because

McCormack represented so many of the finest athletes in those two sports, the events and the television shows he developed drew substantial audiences.

McCormack also realized that old and venerable tournaments like Wimbledon needed rejuvenation. These dated tournaments were still steeped in the tradition of private clubs, and the people managing the events lacked commercial acumen. In 1968, McCormack got the go ahead from the All England Club to sell the film rights to the Wimbledon tournament. Within a few years, he had secured an advertising deal with the razor company Wilkinson Sword. As the film rights generated money for the tournament, prize money increased. Shortly thereafter, the All England Club secured television rights to Wimbledon (Futterman, 2016). McCormack sold the tournament television rights, along with his films, across the globe. Before long, companies wanting to be associated with sport were contacting McCormack to help them find the right sponsorships for their brand. Most famously, McCormack convinced the Swiss watchmaker Rolex to get involved with elite sporting events like sailing's America's Cup (Futterman, 2016).

Through his management company IMG and his production company TWI, McCormack vertically integrated sport. He put the best athletes in the most important and entertaining events. By making those events as big and profitable as possible, McCormack grew the sport industry, transforming the sport business in a fashion that was lucrative for the athletes. "Take care of the athletes," McCormack was fond of saying, "because without them you don't have a game." If you admire the way McCormack innovatively increased revenue and/or empowered athletes, you might also want to find out more about C. C. Pyle (baseball), Marvin Miller (baseball), or Pete Rozelle (football).

## The Birth of Sport Management as an Academic Field

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

Sport clubs, leagues, and tournaments are three of the more prevalent structures currently used to manage, govern, and organize sport. Management systems, including amateur bodies such as the National Collegiate Athletic Association (NCAA) and U.S. Soccer, or professional organizations such as the NBA or the Professional Bull Riders, employ some variation of these structures to produce sporting events. But contemporary sport management is far more complex than its historical antecedents. Furthermore, the growing popularity of newer and emerging sports such as eSports as well as the increasing power of global media, particularly social media, encourage the evolution of new management structures.

The continuing growth of the sport industry and its importance to numerous sponsors and institutions created demand for the systematic study of sport management practices. Since the late 1960s, the academic field of sport management has focused on the unique issues facing the people who conduct the business of sport.

As the sport management profession began to grow and prosper, it became apparent that although similarities existed between running



a general business and running a sport organization, the sport industry presented its own unique intricacies and variations. Early on, sport managers learned from hands-on experiences gained in the industry. As the sport industry became more complex, however, the need to train sport managers in a more formal fashion became apparent. The formal study of sport management emerged from this need.

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

The number of colleges and universities in the United States offering sport management majors grew rapidly. By 1985, the National Association for Sport and Physical Education (NASPE) indicated there were more than 40 undergraduate programs, 32 graduate programs, and 11 programs at both levels offering sport management degrees. As of this writing, there are currently 410 bachelor’s, 235 master’s, and 33 PhD programs in the United States (North American Society for Sport Management, n.d.). Just over a dozen Canadian universities offer programs as well. Programs across the United States and Canada take a variety of forms, such as traditional face-to-face classes and totally online courses. Programs are also housed in different departments or

colleges—for example, in Schools of Business, Colleges of Education and Human Development, Schools of Tourism and Hospitality, and Schools of Kinesiology—and some are free-standing departments on their own. The growth of sport management as an academic field was prompted by the sport industry’s need for well-trained managers, but it also was influenced by universities’ and colleges’ need to attract students. Some schools wishing to increase enrollments in a highly competitive market added sport management programs to their curricula in the 1980s.

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

The purpose of NASSM is “to promote, stimulate, and encourage study, research, scholarly writing, and professional development in the area of sport management,” both in the theoretical and applied aspects (NASSM, n.d., para. 2). In the past, NASSM and NASPE monitored sport management curricula through the Sport Management Program Review Council (SMPRC). Currently the movement toward program accreditation is under way via the **Commission on Sport Management Accreditation (COSMA)**. COSMA is “a specialized accrediting body whose purpose is to promote and recognize excellence in sport management education in colleges and universities at the baccalaureate and graduate levels through specialized accreditation”

(COSMA, 2015, para. 1). The first programs were accredited in 2010 and, as of this writing, 48 programs are COSMA accredited at one or more levels (undergraduate, master's, PhD).

Sport management professional organizations also exist in a number of nations outside North America. The recently formed World Association of Sport Management (WASM) includes the European Association of Sport Management (EASM), the Sport Management Association of Australia and New Zealand (SMAANZ), the Asian Association for Sport Management, the Latin American Organization of Sport Management, and the African Sport Management Association (ASMA). WASM's mission "is to facilitate sport management research, teaching, and learning excellence and professional practice" (WASM, n.d., para. 4). As sport management becomes more global in nature, universities implementing successful country-specific curricula outside North America are producing successful sport managers as well. Universities in Belgium, England, Germany, Greece, Ireland, Spain, and the Netherlands, for example, are preparing future sport managers. Programs are also thriving in Japan, and the continent of Africa is beginning to open up as well. More sport management programs are infusing study abroad programs into the curriculum. Via partnership agreements, George Washington University students had the opportunity to work at the 2018 Winter Olympic Games in PyeongChang, South Korea, while University of Louisville students worked at the 2016 European Athletics Championships in Amsterdam and the 2017 World Games in Wroclaw, Poland. Depending on program requirements, sport management students also have the opportunity to do an internship in a different country.

The value of international education in the sport industry cannot be overstated. Future sport managers need to realize that unless they embrace this global industry and a connected

world, their sport organizations are destined to fall behind or fail. As the sport industry evolves, sport management curricula will continue to change to meet the needs of this global industry.

## Summary

It is impossible to cover the complex history of sport management thoroughly in one chapter. This chapter discussed the historical origins of three basic sport management structures: clubs, leagues, and tournaments. Sport management structures that developed over the past 150 or so years organized sporting events in different ways to meet the specific needs of participants, spectators, and sponsors at particular points in history. The club structure, the league structure, and the tournament structure each arose in response to changes in broad social structures and addressed specific issues within a segment of the sport industry. The evolution of each of these three management structures illustrates that industry professionals need to be creative in the ways they manage sports.

Many innovators and contributors to the management of sport can be cited, including such historic figures as John Montgomery Ward, Albert Spalding, Judge Kennesaw Mountain Landis, Effa Manly, and Marvin Miller in baseball. Other notable sport managers include Peter Ueberroth in the Olympic Games, E. B. Henderson and David Stern in basketball, Pete Rozelle and Paul Tagliabue in football, Gary Bettman in hockey, Billie Jean King in tennis, Roone Arledge in sport broadcasting, and agents C. C. Pyle and Mark McCormack. These people, along with many others, have contributed to making sport one of the most popular forms of entertainment.

The three basic management structures (clubs, leagues, and tournaments) are still found in contemporary sport, but these structures now operate within highly complex organizational systems. As a result, the sport industry demands well-trained managers. Sport

management developed as an academic field to meet this demand. To maintain quality control in this rapidly-changing field of study, the COSMA curriculum guidelines have been

established. As the sport industry continues to evolve globally, the academic field of sport management will evolve as well to produce the future leaders in the industry.

## Case Study 1-1

### Learning from the Past, Looking to the Future

What can we learn from historical investigations of today's sport organizations? For starters, we most certainly can learn to avoid the mistakes that sport managers made in the past. Granted, sport managers were products of their times, and often, those times were neither inclusive nor forward thinking. In general, the sport industry has been slow to evolve and resistant to change and modernization. As this chapter pointed out, while there have been a few forward-thinking innovators such as Mark H. McCormack, those individuals are exceptional.

The early business practices of professional sports leagues often relied on the guidance of people who were former players or coaches rather than people with strong business-based leadership experience. In addition, sport organizations have lagged behind in having a diverse front office workforce that reflects not just the athletes who compete, but greater society in general.

This chapter described the development of several different sport systems, but there was a primary focus on the development of professional baseball, which produced North America's first professional sports league, the National League. For purposes of this case study, choose one of the other major North American professional sports

leagues (the NBA, the NFL, or the NHL) and answer the questions that follow.

### Questions for Discussion

1. Who were the people who played strategic roles in the formation of the league you chose, and why were they important?
2. What did the early structure of the league look like? The number of teams? Which cities? How did the league grow into the powerhouse it is today?
3. MLB was slow to integrate in modern times, with Jackie Robinson breaking the color barrier in modern professional baseball when he signed with the Brooklyn Dodgers in 1947. What did the process of integrating African Americans into the league you chose look like, and how did it progress?
4. If you were the commissioner of the league you chose, which two changes would you make to improve the business operations of the league and why would you make them?
5. Out of the four major North American professional sports leagues today, which one do you think has learned the most from its history? Explain your answer.

### Key Terms

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

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## SPORT MANAGEMENT TIME LINE

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



**SPORT MANAGEMENT TIME LINE (continued)**

1911	First Indianapolis 500
1912	International Association of Athletics Federation (IAAF) began
1916	First Professional Golf Association (PGA) Championship
1917	National Hockey League (NHL) established
1920	National Football League (NFL) began/National Federation of State High School Associations (NFSHSA) founded
1924	First Winter Olympic Games in Chamonix, France/International Association of Assembly Managers (IAAM) established
1930	First FIFA World Cup (soccer) in Uruguay/First Commonwealth Games
1933	First NFL Championship
1939	First NCAA basketball tournament/Baseball Hall of Fame inducts first class
1943	First women's professional baseball league (All-American Girls Professional Baseball League)
1946	National Basketball Association (NBA) (originally known as Basketball Association of America) established
1947	Jackie Robinson integrates Major League Baseball (MLB)
1950	First Formula One Championship (F1)/Ladies Professional Golf Association (LPGA) founded/National Intramural-Recreational Sports Association (NIRSA) began
1951	First Asian Games/Bill Veeck sent Eddie Gaedel up to bat
1959	First Daytona 500
1960	First Summer Paralympic Games in Rome, Italy/Arnold Palmer signed as the International Management Group's (IMG) first client
1961	International Olympic Academy officially inaugurated in Olympia, Greece
1966	Marvin Miller appointed Executive Director of Major League Baseball Players Association (MLBPA)
1967	First Super Bowl
1971	Nike Swoosh designed by Carolyn Davidson
1972	Title IX passed
1974	UCLA men's basketball team loses for the first time in 88 games, setting the longest win streak in NCAA college basketball history/Women's Sports Foundation founded by Billie Jean King
1975	Arbitrator declares MLB players Andy Messersmith and Dave McNally free agents
1976	First Winter Paralympic Games in Örnsköldsvik, Sweden
1978	First Ironman Triathlon
1982	First NCAA women's basketball tournament
1985	North American Society for Sport Management (NASSM) established/First Air Jordan shoes debut at retail/The Olympic Partner (TOP) Program created
1988	The International Olympic Committee (IOC) decided to make all professional athletes eligible for the Olympics, subject to the approval of the International Federations
1990	Americans with Disabilities Act signed into law
1991	First FIFA Women's World Cup
1992	NBA players first played in the Summer Olympic Games

## SPORT MANAGEMENT TIME LINE (*continued*)

- 1994 NFL salary cap came into effect
- 1995 European Court of Justice ruled clubs restrained trade opening the transfer market in European football
- 1996 Women's National Basketball Association (WNBA) founded
- 1998 NHL players first competed in the Winter Olympic Games/First college football Bowl Championship Series (BCS) games played
- 1999 World Anti-Doping Agency (WADA) established
- 2001 Beijing, China awarded Olympic and Paralympic Games for 2008/U.S. Supreme Court ruled golfer Casey Martin allowed to use a cart in PGA events
- 2003 Nike acquires Converse
- 2004 William Perez succeeds Phil Knight as President and CEO of Nike/Athens Organizing Committee (ATHOC) becomes first Organizing Committee for the Olympic Games to jointly manage both Summer Olympic and Paralympic Games/Nextel takes over sponsorship of NASCAR's Winston Cup
- 2005 Under Armour Inc. makes its debut as a publicly traded company/Adidas acquires Reebok/NHL labor problems cause first postponement of an entire major professional league season as NHL suspends operations for 2004–2005 season/ MLB Players Association and owners announce new drug testing agreement including suspensions and release of player names/United Nations designates 2005 as the International Year of Sport and Physical Education
- 2006 Germany hosts successful World Cup, featuring a "Say No to Racism" campaign/ First World Baseball Classic held
- 2007 Michael Vick pleads guilty to leading a dog fighting ring in Virginia, is sentenced to 23 months in prison/Barry Bonds becomes new MLB home run king amid steroid allegations
- 2008 Beijing, China hosts the Summer Olympic Games/ Final year for old Yankee Stadium
- 2009 Rio de Janeiro, Brazil awarded 2016 Summer Olympic Games, marking the first time the Games will be held in South America/Tiger Woods' infidelity scandal breaks, beginning an avalanche of lost sponsorships and damaged image
- 2010 NCAA conference realignment: Big 10, Big 12, and Pac-10/South Africa hosts first World Cup on African continent/The University of Connecticut women's basketball team surpasses UCLA's NCAA basketball 88 game win streak, eventually falling after winning 90 straight games/LeBron James announces "The Decision" to leave Cleveland to play with the Miami Heat
- 2011 Reebok rebrands its logo for the company's second time in history, simultaneously signing a 10-year deal as the main sponsor of the CrossFit Games/Former Pennsylvania State University Assistant Football Coach Jerry Sandusky child abuse scandal comes to light
- 2012 London Olympic Games marked the first Games where every competing nation was represented by at least one female athlete/Lance Armstrong's seven Tour de France victories erased amid doping scandal/Legendary women's college basketball coach Pat Summitt retires after revealing a diagnosis of early-onset Alzheimer's disease/For the first time in its 80-year history, Augusta National Golf Club allows female members

**SPORT MANAGEMENT TIME LINE (continued)**

- 2013 A terrorist attack at the Boston Marathon finish line kills three and injures hundreds/EA Sports discontinues college sports video games in the midst of lawsuits brought forward by athletes represented on the video games alleging the NCAA and EA Sports were making profit off their likeness without permission or compensation
- 2014 The NCAA votes to grant autonomy to Power Five conferences: The ACC, Big 12, Big Ten, SEC, and Pac-12/The IOC and United Nations sign historic agreement aimed at strengthening collaboration between the two organizations on the highest level/IOC release Agenda 2020, a strategic roadmap for the future of the Olympic Movement
- 2015 LeBron James signs new "lifetime" Nike deal worth a reported \$1 billion, the largest single athlete guaranteed deal in company history/Under Armour signs sponsorship extension with Steph Curry/The Ohio State University wins the first ever College Football Playoff/USA Women's Soccer wins 2015 World Cup, its third overall
- 2016 Russian doping scandal results in International Olympic Committee banning numerous athletes from the Rio Summer Olympic Games/International Paralympic Committee issues total ban on all Russian athletes at Rio Summer Paralympic Games/Michael Phelps wins five gold medals in Rio, bringing his career gold medal total to 23 (28 total medals), solidifying him as the most decorated Olympian of all time/NBA and NBPA sign new collective bargaining agreement/ESPN launches The Undefeated, the premier platform for exploring the intersection of sport, race, and culture
- 2017 eSports annual revenues projected at \$465 million/NBA plays All-Star Game in Atlanta, Georgia rather than Charlotte due to North Carolina's passage of discriminatory anti-LGBTQ legislation known as House Bill 2 (HB2)/IOC agrees to simultaneously award two Olympic/Paralympic Summer Games (2024 and 2028) breaking tradition of awarding one Games seven years in advance