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Risk Management Issues and Strategies in Large-scale Sporting Events: A Stakeholder Perspective  
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The complete success of [sporting] events can indeed be defined as the result of avoiding all risks or, in any case, most of them.

Jean-Loup Chappelet (2001)
ABSTRACT

The purpose of this Masters thesis was to explore risk management issues and strategies from the perspectives of key stakeholders of large-scale sporting events using a comparative case study of two Canadian sporting events – the ISU (International Skating Union) 2006 World Figure Skating Championships and the U-20 FIFA (Fédération Internationale de Football Association) World Cup Canada 2007.

A new definition of risk management was proposed as the proactive process that involves assessing all possible risks to the events and its stakeholders by strategically avoiding, preventing, reducing, diffusing, re-allocating, legalizing, and building/managing relationships to mitigate those identified risks. The following categories of risk issues were identified: environment, financial, human resources, infrastructure, interdependence, legacy, media, operations, organizing, participation, political, relationships, sport, threats and visibility. Stakeholders used a variety of strategies to deal with risk in large-scale sporting events. Strategies that emerged during this research fell within the following categories: avoidance, diffusion, legal, re-allocation, prevention, reduction and relationships.
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9/11 Terrorist attacks associated with September 11, 2001

CONCACAF Confederation of North, Central American and Caribbean Association Football

FIFA Federation Internationale de Football Association

IOC International Olympic Committee

ISU International Skating Union

NBA National Basketball Association

OC Organizing Committee

ROI Return on Investment

SLOC Salt Lake City Olympic Organizing Committee
CHAPTER 1
Introduction

The rapid increase of globalization, the resultant pressure on cities and countries
to become players at the international level (Whitson & Macintosh, 1996), and the
potential for high ROI (return on investment) from the many attributes associated with
sport tourism (Green, Costa, & Fitzgerald, 2003) has led to an increase in the popularity
of events in recent years. At the same time, the importance of risk management in
sporting events seems to be growing at a rapid rate due to a number of conflicts such as
hooliganism, increased liability, and terrorism threats at popular venues (cf. Piccarello,
2005; Toohey, Taylor & Choong-ki, 2003; Weed, 2002). Although risk management is
one research area covered in the sport event management literature, to date, the majority
of the research on risk and events has focused on fan and player aggression (cf. Kirker,
Tenebaum & Mattson, 2000; Tenenbaum, Sacks, Miller, Golden & Doolin, 2000),
hooliganism (cf. Gardiner, 2000; Weed, 2002), crowd management (cf. Ammon & Fried,
1998; Doukas, 2005; Zoltak, 2001) and facility management (cf. Ammon, Southall, &
Blair, 2004; Hetherington, 1993; Walker & Stotlar, 1997). Other areas that have been
briefly explored include terrorism threats and spectator perceptions (Toohey et al., 2003)
and the role of the media and its interpretations of security measures (Atkinson & Young,
2002).

While risk management can be described in general terms, each event organizing
committee and stakeholder have different perspectives on risk management, risk
management issues, and the strategies they use to deal with risk. No research has specifically explained the impact of risk management issues and strategies on the management of large-scale sporting events. This is a critical omission given past security breaches in sport (e.g. the 1972 Munich Olympic Games killings, the 1996 Atlanta Olympic Games explosion, the rumoured terrorist attacks associated with Super Bowl XXXIX, the potential for terrorist attack particularly since September 11, 2001 (hereafter 9/11), and the vast sums of money spent on security at sporting events (US$1.3 billion for the 2004 Athens Olympic Games). Sporting events continue to attract some of the largest crowds in the world; yet how stakeholders deal with risk management, especially in this post-9/11 world, has not been examined in depth.

The following paragraphs will set the stage for the research project by introducing the events and risk management aspects of the study. To help further analyze the strategy portion of the project, a quick review of strategic management concepts and terminology has also been included. The theoretical framework and the methodology will also be highlighted, where stakeholder theory frames a comparative case study approach. With this information in mind, I will then state the purpose and overview of the study followed by a summary of the potential benefits of the research.

Events

The sport event management literature is relatively new and researchers are still laying the groundwork (Getz, 1998; Hall, 1992; Parent, 2005). Due to the diverse nature of events, researchers have raised concerns around the definitions related to events. Throughout the literature, researchers have used a variety of terms to describe the types of events. The most commonly used terms were hallmark events (cf. Hall, 1989; Ritchie,
Ritchie (1984, p. 2) defined hallmark events as major one-time or recurring events of limited duration, developed primarily to enhance the awareness, appeal and profitability of a tourism destination in the short and/or long term. Such events rely for their success on uniqueness, status, or timely significance to create interest and attract attention.

Similarly, Hall (1992) described hallmark events as “major fairs, festivals, expositions, and cultural and sporting events which are held on either a regular or a one-off basis” (p. 1). The majority of the research in this field has been descriptive and lacks a universal acceptance of definitions and terminology. Therefore, for the purpose of this research study, the term large-scale sporting event will be used because it provides a general idea of the context in question, i.e., a sporting event of large, international magnitude.

The original idea for this research stems from Parent’s work (2005, 2007, in press) on large-scale sporting events and their organizing committees and stakeholders. Here, stakeholders, refer to anyone who can impact or be impacted positively or negatively by an organization’s actions (Freeman, 1984). Stakeholders can have different and even conflicting needs and views on a particular topic (Mitchell, Agle, & Wood, 1997), thus the importance of examining stakeholders’ perspectives on risk management. The organizing committee, in this case, is the focal organization responsible for the planning, implementation, and evaluation of the large-scale sporting event. Using stakeholder theory, Parent (2005) identified 13 issues dealt with by organizing committees. These included: politics, visibility, financial, organizing, relationships, operations, sport, infrastructure, human resources, media, interdependence, participation, and legacy. This study opened the door to research focusing on organizing committees and stakeholders.
This thesis uses stakeholder theory as its theoretical framework. The relationship between the focal organization and its stakeholders can be further explored using stakeholder theory. A multitude of potential event stakeholders have been identified by various researchers. They include employees, customers, suppliers, general public, local government, local business, international sport organizations, governing bodies, organizing committees, media, and sponsors (Clarkson, 1995; Emery, 2001; Ritchie, 1984). It is integral to stakeholder theory that not only are stakeholder interests acknowledged but also that responsive strategies are built to meet their demands (Freeman, 1984; Frooman, 1999).

Using stakeholder theory as a theoretical framework, data will be gathered from two different settings. One of the settings is a post-event evaluation (ISU (International Skating Union) 2006 World Figure Skating Championships) and the other setting is a pre-event evaluation (U-20 FIFA (Federation Internationale de Football Association) World Cup). Since most of the current research on organizing committees, including Parent's (2005) doctoral thesis on organizing committees and stakeholders of large-scale sporting events, has taken place post-event, it is interesting to compare similarities and differences of perceptions, impacts and relationships of both the organizing committee and stakeholders on risk management issues and strategies in pre- and post-event settings. The pre-event evaluation will allow for a more in-depth examination of what the organizing committee projects versus what actually happens. The selected settings were chosen based on their timing in relationship to the start and estimated finishing time of this proposed research project, their international magnitude, their location, and their multi- versus single-site venue status. The multi-site versus single-site status may have
Risk Management in Events 5

different impacts on risk management because of the logistics surrounding the number of
hosting sites, increased security budgets/measures, and the number of visitors.

*Risk Management*

Although much research has emphasized the positive impacts and benefits
associated with large-scale sporting events, there has been comparatively little focus on
the negative impacts that sporting events have on the host community (Weed, 2002).
These potential negative impacts include, but are not limited to, the stress placed on both
the natural and individual resources of the community, the misuse of the local
environment, the overemphasis of sport tourism as a creator of economic increases, and
participant conflicts in the form of public disorder or hooliganism (Lenskyj, 1996, 2000;
Weed, 2002). More recently, due to the 9/11 events and other terrorist-related activities,
the outcomes of these potential occurrences and the detrimental effects they could have
on the community, as well as consumer perceptions, are reasons to support the
development and implementation of a risk management plan by organizing committees.
In fact, many organizations, such as the international sport federations, require organizing
committees to have risk management plans.

Risk, for the purposes of this study, is described as “an element of danger”
(Appenzeller, 2005, p. 13). Risk management is a term used to refer to all “the strategies
one can consider for dealing with such risk” (Appenzeller, p. 13). Risk can be associated
with many aspects of an event including: ticket sales, sponsor services, athlete services
(e.g., transportation, accommodation, and security), operations (crowd management), site
management, concessions, finance, support services, advertising, promotions, media
relations, insurance, and unforeseeable events such as weather (Appenzeller, 2005).
Highlighting the negative impacts mentioned above can help raise awareness of the potential dangers, as well as aid with the mitigation and prevention efforts associated with these occurrences.

Since 9/11, risk management has become more prominent in the planning and execution of sporting events. One key area lacking in the risk management literature is the description of what risk management is from the perception of the various stakeholders surrounding organizing committees, as well as the strategies used to deal with the various risk management issues experienced by them. How an event such as 9/11 has affected the perceptions of stakeholders of large events with respect to risk management also warrants further investigation.

Strategic Management

Much work has been completed in strategic management (e.g., Andrews, 1971; Ansoff, 1980; Chandler, 1962; Miles & Snow, 1978; Mintzberg, 1987; Porter, 1995). A strategy is about identifying goals and taking certain actions to in order to meet those goals (Chandler, 1962). Slack and Parent (2006) explained strategies from two levels: corporate and business. Corporate strategies have been further broken down in growth, stability, defensive, and combination strategies (Hodge & Anthony, 1991). Business strategies types have been identified as cost leadership, differentiation, and focus (Porter, 1980). It is important to understand the strategic management literature in order to apply it to the analysis of risk strategies used by stakeholders in large-scale sporting events when dealing with risk issues.
Purpose and overview of study and benefits

The gaps identified above in the sport event management and risk management literatures show the need for more research in the area of organizing committees and stakeholders, as well as the implications of the abovementioned risk management issues on these two groups. The main research objective of this study is therefore to further explore the risk management issues and strategies for organizing committees and stakeholders of large-scale sporting events.

To help answer this question, a comparison of a post-event organizing committee’s plans (2006 World Figure Skating Championships) and pre-event organizing committee planning projections (U-20 FIFA World Cup Canada 2007) was performed. Unique to this study is a comparison between single-site and multi-site events, winter versus summer events, and an investigation of risk management issues and strategies from both the organizing committee’s and the stakeholders’ perspectives.

Findings from this study’s within-case and cross-setting comparison analyses contribute to the sport management literature by narrowing some of the gaps associated with organizing committees and stakeholders, specifically by better understanding the risk management issues they deal with and strategies used while planning and hosting an event. This study also defines risk management for stakeholders and investigates how events such as 9/11 have affected stakeholders’ perceptions of risk management. Typically, research has focussed on mega-events such as the Olympic Games and the FIFA World Cup (e.g., Chappelet, 2001; Horne & Manzehreite, 2004). This study’s findings are applicable to a larger number of smaller scale events due to the inability of many destinations to host events of a very large magnitude such as the Olympic Games.
The research will also broaden our understanding of risk management resulting in greater knowledge for bid and organizing committees of upcoming large-scale sporting events in Canada such as the 2007 World Gymnastics Championships and the 2008 World Hockey Championships.

The following thesis includes two papers. Studying risk management in sporting events means going beyond the generic definitions and categorizations of risk and examining the issues of concern for each key stakeholder in order to analyze the strategies used to deal with risk. Thus, the first article discusses risk management from the perspective of stakeholders and the various issues they encountered during the lead up and execution of the event. It also briefly looks at the impacts of events such as 9/11 on organizing committee members’ and stakeholders’ perceptions of risk management. The second article details the risk management strategies used to deal with the issues encountered while preparing and executing the event. Following the two articles is a chapter that discusses the results and findings of the research project including concluding comments and suggestions for new and interesting avenues of future research and this thesis. Figure 1 provides a visual overview of how risk management is examined in this research project on large-scale sporting events.
Figure 1-1: *Theory and Research Flow Chart*

Risk Management Issues and Strategies in Large-Scale Sport Event Organizing

Stakeholder Theory

**Stakeholder Groups:**
Organizing Committee, Sport Organizations, Community, Governments, Media, Delegations

Event 1
2006 World Figure Skating Championship

Risk Management Issues

Paper 1

Event 2
U-20 FIFA World Cup

Risk Management Strategies

Paper 2
References


impacts of the 2002 Football World Cup finals on the host countries Japan/Korea. 


Parent, M. M. (in press). Developing a framework of evolution and issue patterns for
large-scale sporting event organizing committees and their stakeholders. *Journal of Sport Management.*


CHAPTER 2

Paper 1

Risk Management Issues in Large-Scale Sporting Events: A Stakeholder Perspective

The process by which risk management is interpreted and executed by organizing committees and major stakeholders of events is becoming increasingly important, especially in one-time large-scale international sporting events, because of the increased international media coverage, higher insurance costs, and the possibility of events such as the terrorist attacks associated with September 11, 2001 (hereafter 9/11) unfolding (Atkinson & Young, 2002; Piccarello, 2005; Preuss, 2004). Events such as 9/11 have seemingly played an instrumental role in heightening the importance of risk management in the staging of international sporting events. Since 9/11, risk management has become more prominent in the planning and execution of sporting events. In 2002, the SLOC (Salt Lake City Olympic Organizing Committee) spent upwards of US $310 million on security to ensure the venue was secure, and it has been rumored that the security at the Athens Summer Olympic Games cost US $10-12 billion, a record setting amount for the hosting of the Games (Woodward, 2007). Because of this “one shot” parameter, the management of risk is crucial to the success of the event (Castellani, 2006).

Despite its importance to the field of sport event management, risk management is often neglected in terms of studying the preparation and execution of sporting events, especially in the academic literature. A variety of conflicting research has been completed in the area of risk and risk management in sport and sporting events (e.g., Drowatzky, 1992; Fallon, 2003; Young, 1993). To date, much research has concentrated
on crowd management (e.g., Ammon, Southall, & Blair, 2004; Appenzeller, 2005; Zoltak, 2001), facility management (e.g., Ammon et al., 2004; Hetherington, 1993; Walker & Stotlar, 1997), spectator and athlete aggression (e.g., Kirker, Tenenbaum, & Mattson, 2000; Tenenbaum, Sacks, Miller, Golden, & Doolin, 2000), and hooliganism, particularly in soccer or European football (e.g., Gardiner, 2000; Toohey, Taylor, & Choong, 2003).

No research to date has explored the impacts of risk management on the organizing committees and stakeholders of the event. Stakeholders in this research refer to anyone who can impact or be impacted by the event or the event organizing committee’s actions (cf. Freeman, 1984). Stakeholders may have differing viewpoints and concerns (i.e. be heterogeneous within and/or between stakeholder groups) for a particular issue (cf. Putler & Wolfe, 1999; Wolfe & Putler, 2002), which makes managing stakeholders all the more difficult.

Thus, the purpose of this paper is to address the gaps in the sport event management and risk management literatures by identifying the risk management issues in a large-scale sporting event from the perspective of the organizing committee members and stakeholders of those events. This includes an effort to define risk management from a stakeholder perspective and an analysis of how terrorist incidents have affected risk management perceptions within and between stakeholders.

Due to the rising risk management interest and concern within sporting events, this study aims to contribute to both the risk management and sport event management literatures by categorizing risk management issues raised by the stakeholders and organizing committee members of large-scale sporting events. It also reinforces the
effectiveness of stakeholder theory and related concepts for exploring sporting events, an area which is relatively new for stakeholder theory (cf. Parent & Foreman, 2007).

This paper is structured as follows. First, an overview of the theoretical framework is provided. Second, the case study used for this research is outlined, as well as the data collection and data analysis techniques. This is followed by a discussion of the results and finally by a conclusion with suggestions for future research.

Theoretical Framework

To explore stakeholders’ perceptions about risk management in large-scale sporting events, it is important to highlight two literatures, the sport event management literature and the risk management literature, for key concepts, as well as prior research. Stakeholder theory provides the theoretical foundation for this research; therefore, previous work in this area must also be considered.

Sport Event Management

Within the last 20 years, the hosting of sporting events has become an increasingly popular goal for many communities (Emery, 2001; Whitson & MacIntosh, 1996). This is due to the potential for exponential ROI (return on investment) and legacy benefits such as new facilities and improved infrastructure, increased community spirit, and national/international recognition (Ritchie, 1984). Events include cultural events and festivals such as Carabana and Mardi Gras, and sport tournaments such as the FIFA World Cup (Watt, 1998). For large-scale sporting events in particular, academic and popular press books deal with many issues such as economics, tourism, and marketing (e.g., Getz, 2005; Preuss, 2004)
Parent (2005) condensed these issues into 13 categories dealt with by organizing committees. These issues include politics (power, lobbying, protocol), visibility (reputation, image, event support), financial (cost, sponsorship, ticket sales), organizing (decision making, structure, management), relationships (managing expectations, authority, negotiation), operations (venue/facilities, medical, security, food, travel, logistics), sport (delegation, sanctions, officials), infrastructure (local transportation, existing facilities and services), human resources (staff, volunteers, leadership), media (coverage, broadcast rights), interdependence (divisional and hierarchical linkages, communication), participation (involvement, recognition, ticket availability), and legacy (new facilities, upgrades, staff experience).

These issue categories provide a solid starting point for research into the issue of risk management. According to Parent (2005), risk management is part of the operations issue category. Since these issue categories were created based on events occurring before 9/11, this could be a reason why risk management is not a category on its own. However, risk is not an independent issue; it is linked to many aspects of sporting events and differing sport landscapes. As a result, risk needs to be explored from all possible avenues, including key event planning aspects, and from different stakeholder perspectives.

Risk Management

Classical risk management stems from the project management research literature (Chappelet, 2001). Prior research has shown that it is possible to approach risk management in a variety of ways (cf. Wideman, 1992; Boehm, 1991). However, most researchers (e.g., Wideman, 1992; Raz & Michael, 2001) agree that risk management
Risk Management in Events

Risk Management in Events takes on a cyclical approach, similar (plus or minus a step) to the Project Management Body of Knowledge (PMBOK) approach (for additional information on PMBOK visit www.pmi.org), where risk management is essentially made up of four phases: identification, assessment, response, and the documentation of risk (Wideman, 1992). It is also a common assumption that risk management continues throughout the duration of the project, including the planning, execution, completion, and wrap-up of stages of the event (Raz & Michael, 2001). The overarching goal of project risk management is to identify risks and develop strategies to reduce or mitigate them (Wideman, 1992).

According to the PMBOK, whose practices are considered benchmarks within the project management field, there are three types of risks that can affect a project: knowns, knowns-unknowns, and unknowns-unknowns (Wideman, 1992). Knowns are risks that are already considered and have no degree of uncertainty related to them, such as knowing that spectators will attend the event. It is understood that there must be a crowd management plan in place to control the spectators while they are there. Known-unknown risks are ones that are easy to identify but impossible to know if they will have a direct effect on the event until they actually happen. For instance, in the case of U-20 FIFA World Cup, the matches will take place outside and the environment could be a risk; but, until the actual match occurs, it is impossible to tell if the weather conditions will have a direct impact on the game. Unknowns-unknowns are risks that are hard to even imagine happening or even really plan for; therefore, it is unknown how they will affect the event. An example of this would be the terrorist attacks associated with 9/11 or the bombing during the 1996 Atlanta Olympic Games.
According to Chappelet (2001, p. 10), “events of a sporting nature (and also cultural events) are projects.” As stated above, large-scale sporting events have the potential for high ROI for the host communities and regions, but there are also many elements of risk associated with the planning and execution process of these events (Chang & Singh, 1990). Some of the reasons that sporting events may be prone to risk include the masses of people involved, the large amounts of money invested by sponsors, the host community, and the federal government, the potential for international and national media coverage of the event, visibility of the events, complexity of the events, new and inexperienced personnel, temporary facilities, and foreign attendance (Piccarello, 2005; Atkinson & Young, 2002; Berlonghi, 1990). Due to the high level of stakeholder interest and funding in these types of events, it is extremely important for event organizers to be proactive in their risk management efforts (Getz, 2005).

Because of the globalization and increased popularity of sport, terrorism and increased security have also become a high priority for event organizers and international and national sport governing bodies (Preuss, 2004). However, it is important to associate sport event risk management not only with terrorism and security planning, as well as other violent activities, but also with the many other concerns such as financial risk (overall cost of the event), property risks, political risks, marketing and sponsorship risks and host/destination image risks (Chang & Singh, 1990).

Shone and Parry (2004) showed that events can be classified into three different levels according to their sensitivity to risk. Low risk events are usually indoors and are related to activities that the organizers are experienced in dealing with, like a banquet or wedding reception. Events such as sporting events or festivals, which take place either
indoors or outdoors and are slightly more complicated, are considered medium risk events. High risk events have increased numbers of staff and many participants, and are more likely to be one-off events occurring in locales not generally used for such activities, like the Olympic Games. There is also little staff experience with this type of event, and the activities involved are generally associated with higher levels of risks like car races.

The organizing committee has a “legal duty” (Bjarnason & Cannell, 1999, p. 2) to provide the safest event venue possible for participants. Bjarnason and Cannell (1999) highlighted some common areas that organizers should be concerned about when planning and executing an event. These include workers, proper documentation, good communication practices, valid insurance, secure facilities, equipment, emergency medical services, and the preparation of an emergency or risk management action plan. Peterson & Hronek (2003) also identified nature (i.e. unpredictable weather) as an area of possible concern. But, according to Peterson & Hronek, the majority of risks are results of human incidents such as crime, vandalism, hooliganism, and terrorism. In addition, Appenzeller (2005) identified ticket sales, sponsor services, athlete services, hospitality, operations, concessions, support services, advertising, promotions, and media relations as areas where there could be risk. Chappelet (2001) stated that event project management also includes uncommon risks not generally linked to regular projects, such as corporal risk (pertaining to the quality and density of people), material risk, environmental risk, fraud risk, meteorological risk, and image/public relations risk.

In their article about risk management at the 1988 Calgary Winter Olympic Games, Chang and Singh (1990) identified categories of risks at an event of a large
magnitude: risks associated with people (employees, athletes, volunteers, etc.), with the public (spectators and local community members), and with property (equipment and facilities). Getz (2005) described four risk fields: financial (loss of revenue, theft, legal issues, unanticipated costs); management (goal displacement, takeovers, management failures); health and safety hazards for organizers, participants, guests, and the general public (accidents, medical issues, threats, emergencies); and environmental (pollution, natural disasters).

In turn, Berlonghi (1990) identified the following reasons why losses occur in events: poor planning, inadequate management, individual errors and unsafe acts, unsafe physical conditions, out of control energy (environmental, human and animal build-ups), and the domino effect (one failure triggering a series of failures). “Being aware of the [above causes] allows a risk manager to approach an event in a general way and then get event specific” (Berlonghi, 1990, p. 12).

As can be seen from the above, the academic literature highlights many potential risks, but researchers offer different groupings or categories of risk, and none seems to accommodate for the endless options of potential risks. Therefore, it is necessary to develop risk categories that can incorporate all the current areas of concern but also allow for flexibility for the incorporation of new and emerging risk areas. Getz (2005) also stated that risk identification can be a subjective process, hence the need to solidify a new classification of risk from the multiple perspectives of the key stakeholders involved.

**Stakeholder Theory**

Using stakeholder theory (see Clarkson, 1995; Freeman, 1984; Frooman, 1999; Jones, & Wicks, 1999; Logsdon, Wood, & Benson, 2000; Mitchell, Agle, & Wood, 1997,
Phillips, 2003; Wolfe, & Putler, 2002) to study risk management issues in sporting events allows for the examination of the topic from both sides of the equation, i.e., from the organizing committee’s and the stakeholders’ perspectives, and because it allows for the inclusion of a variety of literatures.

Stakeholder theory is concerned with exploring the linkages between the focal organization and their stakeholders (Freeman, 1984). Stakeholder theorists are not only responsible for understanding stakeholder issues but also for determining strategies for responding to stakeholders’ needs and actions (Freeman, 1984). There are three main components of a stakeholder-organizing committee relationship that stakeholder theory can focus on: 1) the organizing committee itself, 2) the stakeholders, and 3) the relationship between the organizing committee and its stakeholders (Donaldson & Preston, 1995; Jones & Wicks, 1999; Parent, 2005). This study will touch on all three aspects, but will focus more on the first two components as there is a lack of research in the overall area of risk management from a stakeholders perspective, and thus the first two components need to be developed before a more in-depth analysis of the relationships can be achieved.

Donaldson and Preston (1995) identified three different approaches to doing stakeholder theory research: a descriptive/empirical approach, an instrumental approach, and a normative approach. The descriptive/empirical approach details and explains the organizations characteristics and actions. The instrumental approach highlights the links between stakeholder management and achievement of the overall organization’s objectives. The normative approach facilitates the identification of morals and guidelines used to define the organization’s overall functions. Exploratory research, such as this
study on risk management, requires a descriptive/empirical approach to stakeholder theory because it helps create a base of knowledge on the topic, including key definitions, concepts, and classifications.

Researchers have identified many possible stakeholders for a focal organization or organizing committee. Clarkson (1995) identified employees, shareholders, customers, suppliers, and the public as potential stakeholders for an organization. Ritchie (1984), during his research on mega-events, stated that the local populace, local government, and local businesses are all key stakeholders in events. Potential stakeholders proposed by Emery (2001) included international and national governing bodies, organizing committees, media, and sponsors. For this research on large-scale sporting events the following stakeholder groups have been used: community (sponsors, residents) organizing committee members (national, site, security), sport bodies, media (broadcast, print), government (municipal government, provincial government, federal government, security), and delegation members. These stakeholder groups were inductively selected based on Parent’s (2005) research, as well as the other studies mentioned above. Security representatives were not found in the stakeholder or event management literature as event stakeholders but were included because of their role in incidents such as the Atlanta Olympic Games bombing and 9/11 and because of the focus on risk management in this study. Interviews were conducted with organizing committee members of both event settings first in order to ask them about other individuals who should be interviewed or whom they considered to be key stakeholders in their event when it came to dealing with risk management. This snowballing technique reinforced the stakeholders selected from the above literature and used in the thesis project.
According to the PMBOK risk management guide edited by Wideman (1992), project stakeholders fall into the following categories: those who directly relate to the project or have a stake in the project, those who have a source of influence over the project, those involved in a hierarchical relationship with the project (e.g., government), and those who are indirectly related to the project. Stakeholders’ abilities to control, influence and to be appreciated have an impact on their association with a project or event (Wideman, 1992). This concept of stakeholder relations may show some connection to the type of risk issues associated to the stakeholder group and their connection to the organizing committee of the event.

Another issue that has recently emerged in stakeholder theory is the idea of within stakeholder group heterogeneity (versus homogeneity). Putler and Wolfe (1999) proposed that stakeholder analysis should include a review of stakeholder concerns within the same stakeholder group (e.g., faculty members of an intercollegiate athletics department) to see if there are differences between stakeholders within the same classification. Their study suggested that there are indeed within stakeholder group differences in terms of priorities and issues. As a result, differences in risk issues experience by stakeholders within the same group in large-scale sporting events will be further explored during the data analysis.

Reichart (2003) stated that stakeholder interests might be better understood if broken down into five categories: material, political, affiliative, informational, and symbolic. Material interests are related to tangible resources such as money where there is a potential for benefit or loss. Political interests relate to political power and influence. Affiliative interests are concerned with relationships and ideas of group membership.
Informational interests are knowledge-based, and include obtaining information from many different sources. Finally, symbolic interests relate to “activities that evoke an attitude, a set of impressions, or a pattern of events associated through time, through space, through logic, or through imagination with a symbol” (Reichart, 2003, p. 64). These stakeholder interest categories will be further examined in the data analysis exploring links between risk issues and stakeholder interests.

Methods

The purpose of this study was to examine the risk management issues in Canadian large-scale sporting events. A qualitative research design using stakeholder theory as its base was employed to build a case study of two Canadian large-scale sporting events—the 2006 ISU (International Skating Union) World Figure Skating Championships and the U-20 FIFA (Fédération Internationale de Football Association) World Cup Canada 2007. A case study approach was used because it allows researchers to focus on particular instances which provide the opportunity to gain further insight on a case or issue (Yin, 2003). Case studies also lend themselves well to dealing with naturally occurring events where the researcher has no control (Yin, 2003). Stakeholder theory was used to frame the case study as it facilitated the integration of the two literatures (sport event management and risk management), as well as the examination of the two settings from the perspectives of both the organizing committee members and the stakeholders, thereby allowing the researcher to tackle the subjective (i.e. perceptions particular to the individual) element of analyzing risk issues. The following provides details relating to the case study settings, data collection, and data analysis.
Case Study Settings

The two settings in this case study were selected based on a number of similar and differing characteristics. Because of the temporary existence and busy schedules of event organizing committees, it is often difficult to gain access to representatives from large-scale sporting events (Parent, 2005); therefore, location and key contacts played a large part in the selection of the events. Both events had to take place in Canada and within a few years of each other so that they would be in relatively similar political, socio-cultural and economic realities to allow for comparisons. They also had to be large-scale in nature, i.e. international and of a large (i.e. budget, personnel, complexity) magnitude. The two settings selected differed in the fact that one was a multi-site event (6 locations across Canada) and the other was a single-site event (Calgary, Alberta). The types of sports (soccer vs. figure skating), seasonality of the sports (summer vs. winter), and spectator reputation (hooligans vs. “knitting grannies”) also had impacts on their selection. Furthermore, data collection was done while the case settings were in different phases in their event planning; one had already occurred and been wrapped up, while the other was in the planning stage. These differences therefore allowed the researcher to compare and contrast risk issue differences between different sporting events.

Setting 1: 2006 World Figure Skating Championships. For the ninth time in Canadian history, Skate Canada played host to the ISU’s World Figure Skating Championships in Calgary, Alberta from March 20 to 26, 2006. This event consisted of four individual skating competitions: pairs, ice dance, and men’s and ladies singles events. According to the host web site (Skate Canada, 2006) the event had a television audience of 150 million worldwide, and filled the stadium with 200,000 loyal fans over
the course of the week. The organizing committee structure was composed of a national organizing committee based out of the Skate Canada offices in Ottawa, Ontario and a local organizing committee on location in Calgary. At all times, the ISU had designated representatives linked to the national organizing committee to assist in meeting all the requirement and concerns raised by the international sport organization.

Setting 2: 2007 FIFA U-20 World Cup Canada 2007. Six Canadian cities (Ottawa, Montreal, Edmonton, Burnaby, Toronto and Victoria) will act as host cities in the second largest FIFA Tournament in the world. This biennial event will take place June 30-July 22, 2007. It will consist of 24 nations playing 52 matches in a 3-week period, a first for a soccer event of this magnitude in terms of size and scope held in Canada (Canadian Soccer Association, 2006). The organizing committee for the soccer event is made up of a national organizing committee based out of the Canadian Soccer Association’s offices in Ottawa, Ontario and site organizing committees at each of the six individual cities. FIFA is connected to the event at the national organizing committee level and has specific representatives linked to the event throughout the lead up and during the execution of the event to ensure that requirements and protocols are being met and to provide feedback and answers when needed.

Data Collection

Two main data collection techniques were employed to gather data from both settings. The first step included the gathering of archival material which included over 60 documents such as newspaper sections and articles, organizing committee documents, and web site information from 5 sources (i.e. Canadian Soccer Association, Skate
The second step was to conduct semi-structured interviews with several key organizing committee members and stakeholder representatives for each of the events. Stakeholders were selected based on previous research using stakeholder theory in events (cf. Parent, 2005), stakeholders identified in the event management literature (cf. Emery, 2001), and stakeholders that surfaced in the archival material (i.e. snowball sampling, see Miles & Huberman, 1994). Accessing more than one data source allowed for richer data, as well as the opportunity to create stronger and valid findings (Miles & Huberman, 1994; Yin, 2003). Interviewees included organizing committee members, security representatives (federal government and organizing committee), government (federal, provincial and municipal) officials, host sport organizations, media, delegations, sponsors, and community members. Eleven interviews were conducted for setting 1 and 12 interviews were conducted for setting 2, with three of the stakeholders (media, federal government security representative, and Sport Canada federal government representative) crossing over (i.e. the same interviewee was relevant to both settings). Interviews lasted between 20 minutes and 90 minutes. Data saturation was reached about halfway through the data collection. Interviewees provided informed consent (see Appendices A and B for the information letter and consent form). The interview guide used is available in Appendix C. For a more detailed breakdown on the stakeholders interviews see Table 2-1. All the data from the interviews were transcribed verbatim and the archival materials were converted to electronic format when not already available (Denscombe, 1998) to facilitate data analysis.
<table>
<thead>
<tr>
<th>Stakeholder Group</th>
<th>Stakeholder Group</th>
<th>Stakeholder</th>
<th>Interview Method</th>
<th>Stakeholder</th>
<th>Interview Method</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organizing Committee</strong></td>
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<td>In-person</td>
<td>National Organizing Committee Member</td>
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<td></td>
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<tr>
<td></td>
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<td>Site Organizing Committee Member</td>
<td>Phone</td>
<td></td>
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<tr>
<td></td>
<td>Security Representative - Organizing Committee</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sport Organizations</strong></td>
<td>Skate Canada Representative</td>
<td>In-Person</td>
<td>Canadian Soccer Association Representative</td>
<td>In-Person</td>
<td></td>
</tr>
<tr>
<td><strong>Community</strong></td>
<td>Event Sponsor Local Community Member</td>
<td>Phone</td>
<td>Event Sponsor Local Community Member</td>
<td>Phone</td>
<td></td>
</tr>
<tr>
<td><strong>Canadian Governments</strong></td>
<td>*Federal Government Representative</td>
<td>Phone</td>
<td>* Federal Government Representative</td>
<td>Phone</td>
<td></td>
</tr>
<tr>
<td></td>
<td>*Security Representative-Federal Government</td>
<td>In-Person</td>
<td>*Security Representative-Federal Government</td>
<td>In-Person</td>
<td></td>
</tr>
<tr>
<td><strong>Media</strong></td>
<td>*Broadcast Media</td>
<td>Phone</td>
<td>*Broadcast Media</td>
<td>Phone</td>
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</tr>
<tr>
<td><strong>Delegations</strong></td>
<td>Delegation Member</td>
<td>In-person</td>
<td></td>
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</tbody>
</table>

* Stakeholders that crossed over to both events

**Data Analysis**

All of the collected data were coded using the ATLAS.ti 5.0 software for all references related to risk management and risk management issues. The software
program facilitated the coding and retrieval of the data by highlighting the themes that appeared in the transcribed interviews and archival material. Parent's (2005) breakdown of the 13 issues dealt with by organizing committee members of large-scale sporting events was used as a basis for the coding of the risk management issues. First, the codes helped identify the data as an issue, then the issue category, and finally the topic of the comment (e.g. risk management issues-financial-sponsorship). Content analysis (cf. Yin, 2003) was done on the data and a pattern matching approach was used to identify the emerging trends. Code networks were used to highlight patterns. A comparison was also done on both the interview and the archival material assembled in the data collection process. Archival material was reviewed to see if there were any inconsistencies in the interviews.

Results and Discussion

A federal government event security representative stated that “zero risk management is not an option” when referring to event planning. This quote illustrates the importance of risk management in large-scale sporting events and the fact that having no risk management initiatives when planning an event is not conducive for a successful event. The following section will look at the importance of risk management to the stakeholders of a sporting event, aim to expand the current definition, explore the impacts of terrorist activities on the topic, and identify categories of risk issues and the relationship of the issues to each stakeholder group.

As shown below, findings highlighted how risk management is a crucial part of the planning component in the sport event hosting process.
Risk management really is a key part of the planning for a successful event and it’s an area of the event management business that, if it goes well and you’ve assessed your risk in advance and you’ve managed it properly, people never know otherwise. (Skating Organizing Committee Member)

Risk management impacts all aspects in the event planning process, and because of this strong link, some stakeholders tend to build it in naturally without realizing they are including risk management components or identifying it as a risk management process.

A lot of times I think that, I don’t think that we really say okay what is our risk management plan? As we build activation, I think that it’s really something that is evaluated, like I said, when you are evaluating the sponsorship to get involved, we have our criteria that we look through and I think that this kinda filters through there and then as we build our plan, I think we are always subconsciously considering [risk management] in our building of the plan. (Skating Event Sponsor)

I don’t know if we actually called it risk management, I mean we have a fundamental principle that underlies everything we do that has that as a part of it. So you know we don’t, we wouldn’t necessarily have a separate meeting that was called you know a risk management meeting and we go through everything from that thought process and say you know are we in trouble here [or] here. It’s kinda built in all the processes we already have in place... (Skating Organizing Committee Member)

Although PMBOK has identified a general process for risk management (cf. Wideman, 1992), it is particularly important that risk management be specific to the event. Factors such as location, previous experience, staff, facilities, and timing can come into effect. The quote below reflects the location, and facilities factors that come into play.

Canada is more sophisticated in different areas, then if you are going to be running an event in a European country or Middle Eastern country or whatever. ...So you know, you could set up a process in place to run an event but your ability to be successful is going to be different in each country because the dynamics are going to be different, their infrastructure is going to be different, their abilities and their volunteer base is going to be different, and their degree of sophistication within the country itself is going to have a bearing, as well as the you know the facilities can, you know, even make a difference in it. So you can set up general parameters and general processes in place but then the application to the things are being run from the national perspective and from the actual host
Also, risk management seems to be more important to some stakeholders than it is to others. Stakeholders that are more directly linked (financially or via contracts) to the event, such as sponsors and government representatives, seem to place a higher priority on risk management practices, as can be seen in the following quote from an event sponsor:

> It is very important. Like I said, if you don’t weigh the risks before you go into this, every sponsorship we take on, whether it be a small soccer team or a basketball facility or the U-20 event, we sit down beforehand and weigh the pros and cons of what our participation will mean. We probably turn down more than we accept frankly for that matter because we just don’t think that what the partner is promising will be delivered and we don’t want to associate our brand with that particular program. So basically, before we make a decision on any sponsorship, we do a full analysis of the event. (Soccer Event Sponsor)

In contrast, stakeholders that are indirectly linked to the event, such as the media and local community members, had a much different outlook on the issues and stated that an event’s risk management does “not particularly” (Skating Media Stakeholder) have an impact on them or at least that “is not where our management effort goes” (Broadcast Media Stakeholder).

**Stakeholder Characterization Based on the Risk Management Issue**

Wideman (1992) suggested that risk management project stakeholders may be characterized in four possible ways: those with a direct relationship, those with an indirect relationship, those with influence over the event and, those in a hierarchical relationship. Event stakeholders from this study were classified as the following: stakeholders directly related to the event (organizing committee, delegation, sport organizations, major sponsors, host broadcaster), stakeholders indirectly related to the
event (local community, media (print, radio, TV)), stakeholders with a source of influence over the event (sponsors/funding partners, government), and stakeholders involved in a hierarchical relationships (sport organizations, government). Some stakeholders possess more than one characteristic and therefore fall into more than one of the stakeholder groups such as government who are involved in a hierarchical relationship (i.e. municipal, provincial, federal), as well as being a stakeholder with influence as they general provide sources of funding for events.

**Definition of Risk Management in Large-Scale Sporting Events**

Appenzeller (2005, p. 13) provided a generic definition for risk management as “all the strategies one can consider for dealing with ... risk”. Getz (2005, p. 284-285) was more specific when describing risk management for events in general. He described risk management as “the process of anticipating, preventing, or minimizing costs, losses, or problems for the event, organization, partners and guests.”

However, the above definitions are limited and do not cover some aspects of risk management in large-scale sporting events. More precisely, key findings from this research suggested that the following factors are part of risk management in large-scale sporting events. First and foremost, risk management is a process. “Risk management from my perspective would be a process that is put in place to maximize a positive outcome or impact on you and minimize the possibility of a negative outcome or impact to you” (Skating Organizing Committee Stakeholder). In general, this process is proactive rather than reactive in nature because it involves the anticipation, identification, and assessment of risk, followed by the planning of responses, to help mitigate issues in the planning stages. In contrast, crisis management would be the reactive process, where
Risk Management in Events 35

risk is dealt with as it unfolds (Wideman, 1992). Risk management also has many levels of risk (Shone & Parry, 2004) and is all-encompassing, i.e. it does not solely relate to security or terrorism. The following interviewees noted the assessment of risk levels and the wide reach of risk management:

Risk management is being able to look at a situation and determine what the level of risk is, whether it is low medium or high, and then determine based on that level of risk what type of security action you need to [minimize] the risk and make sure that things don’t happen. (Skating Organizing Committee Security Stakeholder)

I think initially anybody would say to you that the risk was the whole security risk around the, you know, the safety around the athletes and that kind of stuff. But I mean there was, you know, financial risk as well. I mean if we hadn’t, you know, sold enough tickets and those kinds of things and there was that aspect, there was certainly risk to the volunteer base. (Skating Local Community Representative)

Risk management seemed directly related to the timing, size, complexity and location of the event; each aspect being reflected in one of the following quotes:

The time of the year, but also just timing of what other activities are going on. Like Calgary is like a big hot spot economically right now; so a lot of events are going there. So there is such a great selection of activities that it might not be the best spot for us to go for a Canadian Championships right now. (Skating Event Sponsor)

In general, the bigger the event, the longer you need to plan it out. And I think a lot of times what catches people by surprise is just the sheer size of some of these things. It’s a lot of work and if you are not ready to, if you don’t have a plan in place when you hit, you need to hit the ground running with a plan in place, if you don’t have that plan, the longer you go, the harder it is to catch up. (Soccer Event Sponsor)

If you are covering an event in Canada and you're producing the coverage, your risk elements are far less than if you are taking an event from a developing nation with a provider that has, that [doesn’t] have a demonstrated track record and that influences our decision making about the event. (Broadcast Media Representative)

From this study’s identified risk management elements, but in conjunction with the existing research and definitions highlighted earlier, an expanded definition of risk management in terms of large-scale sporting events is proposed. Risk management in
large-scale sporting events can be described as a proactive process that involves assessing all possible risks to the events and its stakeholders by strategically anticipating, preventing, minimizing, and planning responses to mitigate those identified risks.

Influence of Terrorist Activities

Stakeholders and organizing committee members interviewed about risk management issues at their events were also asked about the impact of terrorist activities such as 9/11, and whether or not such incidence had any impact on their perception of risk management. Findings showed that stakeholders’ perceptions had indeed been affected by such incidence. This is reflected in the comments made by an organizing committee member:

Definitely, definitely… I was involved with an NBA [National Basketball Association] team when 9/11 happened. We had just moved to a new city and hadn't even played a game yet, and all of a sudden, you know, 9/11. It was about 5 weeks before our first game was scheduled to happen so, at the time, the NBA did a complete review and revision of their security policies and I think that they were one of the leaders of the four major sports to revise and to really communicate the importance of security in special events as a result of what happened I guess five years ago now. (Soccer Organizing Committee Member)

The most significant impact found was the heightened awareness for the need for risk management, including operational elements such as security. This heightened awareness seemed to have had an episodic effect in terms of lasting impact.

Immediately following 9/11, public interests and need for risk management skyrocketed, but this seems to have only lasted for a period of time and now has returned back to a normal level. Immediately after 9/11, there was an issue and a change because everybody was paranoid. But now that we are 5 years or almost 6 years gone past that date, there is really no more risk than there was prior to 9/11. Now, it heightened everybody's awareness for a while, but I think the awareness has slowly settled back down to a comfortable level. (Skating Organizing Committee Security Stakeholder)
Another important implication was the realization that terrorist attacks could happen on North American, and even potentially Canadian, soil.

I think it was just maybe a wakeup call as to the realities of how flat the earth is or how you know maybe the worlds are not as far away as we once thought maybe they were. So that bad stuff that happens in Eastern Europe or wherever it happens to be at the time you know, we're not so physically removed as we once may have thought it was. (Skating Organizing Committee Member)

Events such as 9/11 and the bombing at the 1996 Atlanta Summer Olympic Games also made it easier for organizing committees to justify the time and cost associated with the risk management aspect of the event.

Well I think that the biggest area where it has made things a little bit easier has been on the public perception side. Unfortunately, it took an event of that magnitude but people's habits have changed. I think they are a bit more understanding when there are metal detectors set up, when there are bag searches set up, when, you know, air travel is a perfect example of how people acclimated to a new environment; and I think on the events side in the sports entertainment business, people have acclimated to various levels of security requirements depending on the scope of the event, the type of the event, the location of the event. [...] So I think that the public accommodation of this has made it easier to implement the changes on the security side. (Soccer Organizing Committee Member)

The findings highlighted above are important because they contribute to the overall development of risk management and risk management practices in large-scale sporting events as they expand on what is currently found in the research. The new definition of risk management from the perspective of stakeholders is necessary because it provides specifics in relation to sporting events. Results also supported the concept that risk management is important in sporting events (cf. Getz, 2005; Chappelet, 2001) but highlighted the fact that this importance can fluctuate or rise in times of potential conflict and following major international incidents such a 9/11.
Risk Management Issues

The risk management issues that were identified during the data analysis were categorized using Parent’s (2005) breakdown of issues dealt with by organizing committees and stakeholders, which provided a good starting point for the categorization of risk management issues. While the 13 issues categories (e.g. organizing, operations, financial) were used, findings showed emerging issues that had not previously been represented, which resulted in the addition of two more categories: environment and threats. These new categories may have been a direct result of Parent’s research being conducted on events which occurred pre 9/11, before stakeholders’ awareness of risk management was heightened, as well as the recent increase of environmental issues and events such as the Olympic Games in the media (cf. Oster, 2007). Therefore, the risk management issues that were found in the present study were identified and categorized as the following: financial, organizing, visibility, political, infrastructure, interdependence, sport, legacy, media, participation, human resources, operations, relationships, environment, and threats.

The overarching risk issue area was operational risk with over double the amount of mentions than any of the other categories. This is likely a direct result of this category being extremely broad and containing popular and important sub-components such as security, crowd management, and logistical concerns, as well as venue/facility management, safety, health, and well-being. Financial risks were also frequently cited concerns. Common concerns in this area surrounded sponsorship, ticket sales, and attendance numbers, as well as ROI, economic impacts, tourism and government support.
Table 2-2: Description of Risk Issue Categories

<table>
<thead>
<tr>
<th>Risk Issues Category</th>
<th>Specific Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environment</td>
<td>Environmental impacts (pollution, destruction of the environment)</td>
</tr>
<tr>
<td>Financial</td>
<td>Sponsorship, ticketing and attendance, economic impacts/tourism, government support, ROI</td>
</tr>
<tr>
<td>Human Resources</td>
<td>Paid staff, volunteers, training</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>Existing infrastructure, new infrastructure, community resources</td>
</tr>
<tr>
<td>Interdependence</td>
<td>Hierarchy of power, partnerships</td>
</tr>
<tr>
<td>Legacy</td>
<td>New facilities, public availability</td>
</tr>
<tr>
<td>Media</td>
<td>Positive vs. negative coverage</td>
</tr>
<tr>
<td>Operations</td>
<td>Logistics (travel, transportation, food, accommodations), venue/facility management, safety, health and well-being, crowd control, security, administrative tasks (accreditation, communications)</td>
</tr>
<tr>
<td>Organizing</td>
<td>Bureaucracy, legal, organizational change, leadership</td>
</tr>
<tr>
<td>Participation</td>
<td>Public access, ticket availability</td>
</tr>
<tr>
<td>Political</td>
<td>Government changes, countries involved in tournament</td>
</tr>
<tr>
<td>Relationships</td>
<td>Meeting and balancing stakeholder needs and requirements</td>
</tr>
<tr>
<td>Sport</td>
<td>Delegation members, duration of the event, officiating</td>
</tr>
<tr>
<td>Threats</td>
<td>Epidemics, personal, terrorism, weather</td>
</tr>
<tr>
<td>Visibility</td>
<td>Ambush marketing, brand, image, reputation, support for the event</td>
</tr>
</tbody>
</table>

Visibility (i.e. image, reputation of stakeholders, and hosting community) and human resources (i.e. paid staff, volunteers, and training) areas of risk concerns rounded out the top-cited risk areas found in the study.

Risk Issue Categories by Stakeholder Group

Interviewees were representative of stakeholder groups in large-scale sporting events as identified in previous research on sporting events (cf. Emery, 2001; Parent, 2005). The sponsors were mainly concerned with financial, organizing, and visibility risks associated with the sporting events. “We are concerned with [ticket sales], we want to ensure that the event is sold out, that there is a good attendance level” (Skating Event Sponsor). Operations and relationship risks were also mentioned.
Government stakeholders were generally concerned with financial risks. “Obviously, there is the financial risk associated with this event; and from the province's perspective, we're definitely looking at issues from cost over-run, that's with capital components or operating deficits with the event” (Soccer Provincial Government Stakeholder). The federal government highlighted financial, organizing, visibility, and threats as risk areas that affected them. The provincial government discussed financial, legacy, and the environment as key areas for them. The municipal government seemed to be concerned with operations, financial, visibility, and infrastructure.

The organizing committees at both the national and site levels, as well as the national sport organizations, were concerned with all elements of risk in all the categories; but operations, human resources, organizing, and financial risks were the most often raised. This is reflected in a soccer organizing committee member’s comments on alcohol service: “Probably one of the single biggest factors that can really determine how a crowd acts, reacts, and behaves is whether there is alcohol served or not.”

In terms of the local community representatives, operations and human resources were common. “There is risk to players' health and safety; there is risks to... spectators as well. They have to make sure that all the grounds are of adequate condition and what not” (Soccer Local Community Member).

Security representatives tended to cite operations, threats, and human resources as common areas of risk:

Sporting events, when you consider the nature of the event and the fact that there is media attention given to these events, it becomes a big target for, you know, terrorists and for activists who want to bring their cause to the forefront, knowing that media attention is given to the event and that they would likely be successful in bringing their cause, you know, to the media, and therefore the attention of the world. (Federal Government Security Representative)
Delegation members were most affected by operations, sport, and organizing risk issues.

The location aspect of organizing issues is reflected in the following quote:

I think there is always risk associated with... any location. Even if you are doing something within Canada or within the United States, there are still going to be risks... but I think it is especially true if you are dealing with countries that maybe don’t have the same type of living conditions as we do in Canada, which [is true for] many of the different countries in Central America and the Caribbean who are part of our confederation. (Soccer Delegation Member)

Table 2-3: reflects the risk management issues and their specific issues.

In sum, the overarching concerns experienced by stakeholder groups were operations and financial, followed by organizing and visibility. The findings highlighted above are crucial for the development of the sport event management and risk management literatures because they consider the perspectives of the various stakeholder groups, as well as provide specific issues for each group in terms of risk management issues in large-scale sporting events. As can be seen in previous research highlighted earlier in the chapter (e.g., Shone & Parry, 2004; Peterson & Hronek, 2003; Appenzeller, 2005; Getz, 2005), many of the previous areas of risk management were very specific to the event (or issue). The 15 issues categories identified in this research provide a comprehensive framework or umbrella for many of the identified issues in the literature, without making the categories too broad, and therefore making it easier for professionals in the sport event management field to identify and plan for potential risk issues.

Furthermore, the 15 risk issue categories can be divided in terms of their association to the effects or people they influence (Chang & Singh, 1990). Chang and Singh’s breakdown of risk associated with people, public, and property provided a way to further group the sub-components of each category identified. For example, in the
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizing</td>
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<td>X</td>
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<td>X</td>
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operations risk issue category: facility management is part of the property category; safety and food affected the people associated with the event; and, security and transportation logistics affected the general public. It was not possible to group the actual 15 risk issue categories themselves into this framework because there were elements of people, public and property within in each of the categories, and therefore, the classification system only worked on the sub-components for each risk issue grouping.

Not only can the risk issue categories by sub divided into the abovementioned categories but the risk issues can be classified by low, medium and high risks (Shone & Parry, 2004). For example operations, financial, organizing and visibility were the highest risks overall to the stakeholders of these events as they were the most frequently cited, but each stakeholder group had a variation of high, medium and low risks because of the risk categories by which they were personally most affected. For example, organizing committee members were most concerned with operations, human resources, organizing and financial risk (their higher risk areas) and less concerned with participation and the environment (their lower risk areas). Whereas for government stakeholders’, high risk areas were financial concerns and low risk issues were sport and participation issue categories.

Comparing the risk management issue categories, stakeholder groups identified, and the stakeholder interests (see Reichart, 2003), a deeper level of analysis can occur for risk management and stakeholders. More precisely, the majority of risks tended to fall within the material category (infrastructure, legacy, financial, human resources, operations, visibility, media, participation, sport). This is the result of the large amounts of money, infrastructure and resources required for the events. The other issue categories
had less risk issues but were still represented in the findings: political (political and organizing risk issues), affiliative (relationships, human resources), information (relationships and operations), and symbolic (environmental and threats). Some of the issues, such as human resources, spanned multiple categories as they contained multiple stakeholder issues. This reinforces Reichart’s (2003) statement that categorizing issues allows for better understanding of stakeholder interests.

Findings also contributed to stakeholder theory by supporting Putler and Wolfe’s (1999) work on heterogeneity within stakeholder groups. The following within stakeholder group differences were identified. The organizing committee members at the national level were concerned with almost all issue categories (14 out of 15), whereas the site and the security organizing committee level stakeholders were concerned with fewer issue areas. This is due to the fact that they are responsible for more event-specific needs (i.e. site organizing committee members exhibited more local needs whereas security stakeholders exhibited more security- and safety-specific needs). This was also noticeable throughout the different levels of government and community stakeholders. From federal to provincial to municipal governments, there were decreasing numbers of issue categories identified with which the group was concerned. Similar results were also seen in the community stakeholders; local community members were concerned with more areas than sponsors, who focused particularly on financial, organizing and visibility categories. There were also differences found between the two different types of media included in the study. Broadcast media was concerned with more risk areas than print media. This was likely the result of the amount of money and resources invested in the events as compared to print media. Thus, this study contributes to the literature by
suggesting that risk management is not only different between stakeholder groups but also within stakeholder groups, thereby reinforcing the need for a more holistic approach to risk management, notably facilitated by stakeholder theory as this study demonstrated.

Conclusion and Future Directions

This study explored sport event stakeholder perceptions of risk management and the issues they dealt with or highlighted as concerns during the 2006 World Figure Skating Championships and the U-20 FIFA World Cup Canada 2007. The general risk management process of identification, assessment, response, and documentation identified by Wideman (1992) was applicable to large-scale sporting events; but since many factors such as location, experience, staff, facilities and timing affect events, each event must complete the process individually. As a result of the findings, an expanded definition of risk management was proposed as: a proactive process that involves assessing all possible risks to the events and its stakeholders by strategically anticipating, preventing, minimizing, and planning responses to mitigate those identified risks.

The majority of stakeholders (e.g., government, sponsors, and organizing committee members) perceived risk management in events to be critical. In the end, risk management impacted all facets of event management, thus, it was often built into the planning of an event unconsciously. Stakeholders in this study were asked to comment on the effects of terrorist activities such as 9/11 on their personal and organizational perception of risk management. Their idea of risk management was found to have indeed been affected by terrorist activities. Heightened awareness, the justification for the need and costs of risk management in events, and the idea that terrorist activity could happen on North American soil were the main implications of events such as 9/11, although the
stakeholders believed these events only had a temporary effect in terms of impact (i.e. changes in perception returned to normal after a few years following the event).

This study also provided a breakdown of risk management issues that stakeholders face in events, as well as the type of issues most commonly cited by each stakeholder. The risk issue categories identified were environmental, financial, human resources, infrastructure, interdependence, legacy, media, operations, organizing, participation, political, relationships, sport, threats, and visibility. Stakeholders identified operational, financial, visibility, and human resources as the most important areas of concern (in descending order) when dealing with risk management in sporting events.

In addition, this study linked the risk management and stakeholder theory literatures by using Reichart’s (2003) five stakeholder interests in relation to risk management. It was found that the majority of risk management issues fell within the stakeholder material interests categories because many of them were related to the access to resources. But findings also support the existence of the four other stakeholder interest categories: political, affiliative, informational, and symbolic.

This study further contributed to stakeholder theory by highlighting between and within stakeholder group heterogeneity, reinforcing Wolfe and Putler’s (2002) previous research. The major differences were seen at the event organizing committee and Canadian government levels. Stakeholders identified less risk issues categories during the progression through the hierarchies of the government and organizing committees levels (i.e. from a national level to a site or municipal level stakeholders focused on more event/stakeholder specific risks, rather than all 15). Within stakeholder differences where
also noted at the media level, where broadcast media were concerned with more risks than print media, mainly because of their invested money and resources in the event.

Future research should examine the risk management strategies used by stakeholders in order to deal with the issue categories identified in this study. An in-depth examination of sub-issue categories and their relationship with other literatures (e.g., crowd management, crisis management, facility management) would be very beneficial for event managers and academics in the field, as they were beyond the scope of this paper.

Another worthwhile avenue of research would be exploring the transference of risk management issues throughout the hierarchy of the organizations involved in the event (e.g., the international sport body to the national organization to the local organizing committee to the local stakeholders), temporally and for each issue type. Emerging findings pointed to differences but these are beyond the scope of this paper, including: how do issues vary in importance over time; and is there movement of those issues and responsibilities through the hierarchy of the organizing committee?

This study also opens the door to more research on risk management in large-scale sporting events. Organizing committees and stakeholders now have a resource to help with the planning of risk management in their events. This study provided a common list of risk issues that they should be aware of and plan for, as well as a basic definition and key factors to keep in mind when dealing with risk management in large-scale sporting events. In addition, this research also provides event stakeholders with an overview of the types of risk management issues identified by organizing committee
members and stakeholders of large-scale sporting events so that it is easier to identify and plan for the numerous types of risks typically encountered by similar stakeholders.
References


The overall question of risk management in large-scale sporting events has become increasingly predominant in recent years due to phenomena such as globalization and the increased popularity of sport (Preuss, 2004), and incidents such as the World Trade Centre attacks on September 11th, 2001 (9/11), the Atlanta Olympic Games' bombing, and the huge security budgets like the US$ 3 billion spent in Athens for the 2004 Olympic Games. Chappelet (2001, p. 18) stated that “the complete success of these events can indeed be defined as the result of avoiding all risks or, in any case, most of them.”

“Due to its duration, cost and complexity, a major project [or sporting event] is inevitably subject to unforeseen events, to setbacks, and to numerous, major areas of uncertainty that are inevitable because of so many risks that exist” (Chappelet, 2001, p. 7). One of the first authors to look at risk management in a sport context was Appenzeller in his 1993 book Managing Sports and Risk Management Strategies. He defined risk as “an element of danger” (p. 13) and risk management as all “the strategies one can consider for dealing with such risk” (p. 13). On the other hand, Chappelet (2001, p. 8) qualitatively defined risk as “the chance of exposure to the adverse consequences of future events.” In the previous chapter, an expanded definition of risk management in large-scale sporting events was proposed. It was provisionally defined as a proactive process that involves assessing all possible risks to the event and its stakeholders by
strategically anticipating, preventing, minimizing and planning responses to mitigate those identified risks. Stakeholders in this study refer to anyone who can impact or be impacted positively or negatively by the event or the event organizing committee’s actions (cf. Freeman, 1984).

Although a chapter on risk management is likely to be found in the majority of popular press and textbooks on sport event management (e.g., Appenzeller, 1993; Getz, 2005; Preuss, 2004), to date, there has been comparatively little coverage on the topic of risk management in large-scale sporting events in peer-reviewed academic journals. Topics that have been covered include the effects of terrorism (e.g., Toohey, Tayler, & Choong-Ki, 2003), crowd control (e.g., Appenzeller, 2005), and security for sporting facilities (e.g., Ammon, Southall, & Blair, 2004; Preuss, 2004; Walker & Stotlar, 1997). But, little research has been done on the impact of risk management on the organizing committee and its stakeholders.

As a result of the topics covered in the literature, one might assume that risk management deals strictly with security and terrorism threats, but risk management is much more than that. Several researchers (e.g., Appenzeller, 2005; Chappelet, 2001) have identified a variety of sporting event aspects that can have an element of risk: ticket sales, sponsor services, athlete services, hospitality, operations, site management, concessions, finance, support services, advertising, promotions, media relations, insurance, and unforeseeable events such as the weather. Getz (2005) provided the following categories or areas of risk: protests and terrorism, crowds and traffic, celebration and revelry, inexperienced management and volunteers, event-specific activities, animals, health hazards, crime, financial losses, alcohol, target markets (spectators), and setting (venue).
In the previous chapter, 15 risk issue categories were identified by stakeholders of large-scale sporting events when discussing risk management: financial, infrastructure, interdependence, legacy, media, operations, human resources, relationships, environment, organizing, participation, political, sport, threats, and visibility.

Now that the risk issues have been identified and categorized, what strategies do the stakeholders of a large-scale sporting events use to deal with the various risk issues that arise at their events? This paper seeks to answer this question. In his seminal work, Chandler (1962) defined strategy “as the determination of basic long-term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals” (p. 13).

This paper analyzed the results from two settings, ISU’s (International Skating Union) 2006 World Figure Skating Championships and the FIFA (Fédération Internationale de Football Association) U-20 World Cup Canada 2007. Key findings included a breakdown of risk management strategy types and an analysis of common strategies used across the various stakeholder groups. This study on risk management strategies provides a valuable framework of strategies to deal with risk issues for future hosting committees and communities, as well as a common frame of reference for researchers.

This paper is organized as follows. First, an overview of the theoretical framework will be presented. Next, the case study methodology is described, highlighting the setting, data collection and data analysis. Findings are then discussed. Finally, concluding remarks and possible avenues of future research are explored.
Theoretical Framework

In order to examine the risk management strategies that stakeholders of large-scale sporting events employ, it is necessary to look at the sport event management and risk management literatures, as well as work that has been done related to the concept of strategies (strategic management). The theoretical foundation used for this research is stakeholder theory, and thus this theory must also be reviewed for important concepts and prior research.

Sport Event Management

Throughout the sport event management literature, researchers have used a variety of terms such as hallmark (e.g., Hall, 1989; Ritchie, 1984) and mega (e.g., Jones, 2001; Horne & Manzenreite, 2004; Lee & Taylor, 2004) to classify events. For the purpose of this paper the term large-scale (cf. Chappelet, 2001) sporting event will be used because it provides a general idea of the context, events of large (in terms of budget, personnel and complexity) and international magnitude.

Events can be extremely diverse and can range from carnivals and festivals to sporting competitions and tournaments (Watt, 1998). Event management research of particular importance to this research is Parent’s (2005) study where she identified a variety of strategies used by the organizing committees and stakeholders to deal with event issues (e.g. risk assessment, use of experts, planning, communication) over the life of a sporting event. Context, resources, and time were identified as the main factors affecting the strategy that was used. Parent used stakeholder theory as the theoretical framework thus providing a solid reference for this paper on stakeholder risk management strategies in large-scale sporting events.
Risk Management

It is possible to find several ways to approach risk management (Appenzeller, 1993, 2005; Berlonghi, 1990; Peterson & Cannell, 1999; Chang & Singh, 1990). The Project Management Body of Knowledge (PMBOK), which is considered a benchmark practice, follows a four-phase process: identification, assessment, response, and the documentation of risk (Wideman, 1992). Risk management is also a process that lasts throughout the project life cycle, from the initial planning phase to the wrap-up and evaluation (Raz & Michael, 2001). “The goals of risk management are therefore to identify project risks and develop strategies which either significantly reduce them or take steps to avoid them all together” (Wideman, 1992, p. I-2). Risk management should start during the earliest stages of event preparation as this allows for the opportunity to develop alternative action plans and strategies to deal with adverse events (Wideman, 1992). Risk management is thus a proactive process. Getz (2005) also stated that risk identification can be a subjective process, hence the need to solidify a new classification of risk from the multiple perspectives of the key stakeholders involved.

PMBOK identifies three types of risks that could affect a project. They are knowns, known-unknowns, and unknown-unknowns (Wideman, 1992). Known risks are the ones that do not contain uncertainty, they will happen. For instance, it was known that there would be traffic issues because of the many people attending the event therefore a traffic management plan had to be developed. Known-unknowns are the risks that exist, but it is impossible to know whether they will have a direct effect on the event until they actually happen. In sporting events there is always a chance for injury to the players, but until the injury actually happens it is unknown how severe it will be or how it will affect
the event. Unknowns-unknowns are risks that are impossible to imagine, and therefore it is impossible to know how they will affect the event. An example of an unknown-unknown risk would be 9/11 or other terrorist activities.

**Strategic Management**

For this study, it is important to appreciate the fundamental principals of strategy in order to fully analyze and understand the use of strategies by stakeholders of large-scale sporting events when dealing with risk. Much research has been done in the area of strategic management (cf. Andrews, 1980; Chandler, 1962; Miles & Snow, 1978; Mintzberg, 1987, 1994; Porter, 1995). As stated earlier, Chandler (1962) characterized strategies in terms of defining goals and adopting courses of action to facilitate those goals. In turn, Porter (1980) examined strategy from a competitive standpoint and defined it as “taking offensive or defensive actions to create a defendable position in an industry, to cope successfully with competitive forces and thereby yield a superior return on investment for the firm” (p. 34). Andrews (1987) stated that “a strategy can be a very specific plan of action directed at a specified result within a specified period of time” (p. xi). According to Rumelt, Schendel, and Teece, strategy “is about the direction of organizations” (1994, p. 9). Mintzberg (1994) described strategic planning as a group of characteristics commonly referred to as Mintzberg’s 5 Ps: Plan, Ploy, Pattern, Position, and Perspective.

Strategies can be deliberate, i.e. “intended courses of action” (Slack & Parent, 2006, p. 93) or emergent, i.e. occur without being planned (Mintzberg, 1978). Strategies can also be formed on two different levels, that of the corporate level and that of the business level (Slack & Parent, 2006). Corporate strategies are followed by the entire
Risk Management in Events 60

organization, whereas business strategies are specific to different areas of the organization.

According to Hodge and Anthony (1991), there are four different types of corporate strategies: growth, stability, defensive and combination. Growth strategies look at how an organization can add to its competitive edge by diversifying and integrating. Stability strategies look at how an organization can harvest/milk a product as it becomes obsolete. Defensive or decline strategies are used when the demand for the organization’s services are decreasing. Finally, combination strategies involve an integration of the three other growth strategies.

Business level strategies “are those used by a sport organization to gain a competitive edge for its particular product or service” (Slack & Parent, 2006, p. 118). Porter (1980), a very influential researcher in the area of strategic management, identified three business level strategies: cost leadership, differentiation, and focus. Cost leadership strategies are broad in scope and emphasize efficiency in terms of economies of scale by producing high volumes of standardized products. Differentiation strategies revolve around producing unique products and thereby differentiating companies and organizations from their competitors. Finally, focus strategies push businesses to narrow their focus and tailor their market strategies to concentrate on a few select target markets.

The keys to a good strategy are that it should be identifiable and clear, unique, consistent with the organization’s ability and available resources, have manageable levels of risk, and be appropriate (Andrews, 1987). There are two main steps in the building of a strategy: formulation and implementation (Andrews, 1987). “The principal sub-activities of strategy formulation as a logical activity include identifying opportunities and threats
in the company’s environment and attaching some estimate or risk to the discernible alternatives” (Andrews, 1987, p. 18). The above strategy frameworks provide a starting point of terms and concepts for this study.

The Strategic management literature offers a number of strategy frameworks (e.g., Clarkson, 1995; Friedman & Miles, 2002; Miles & Snow, 1978; Oliver, 1991; Rowley, 1997; Shepard, Betz, & O’Connell, 1997). For example, Oliver (1991) highlighted five strategic responses to institutional pressures: acquiescence, compromise, avoidance, defiance and manipulation. In contrast, Clarkson (1995) suggested the RDAP (Reactive, Defensive, Accommodative, and Proactive) approach. While empirically sound in their original research setting (mainly for-profit organizations), these strategy frameworks have not been tested in a large-scale sporting event setting or in reference to risk management.

**Risk Management Strategies**

To deal with risk management issues, it is necessary to create strategies or tactics. Berlonghi (1990) identified five approaches that could be used to deal with risk: avoidance, reduction, prevention, separation/duplication, and transference. Avoiding risk means that if the risk issues are too high, then they should be avoided at all costs. Reducing risks in events is linked to the actual planning and preparation for the risk that could arise, i.e. the actions that can be taken to reduce the severity of the cause, such as proper staffing. Prevention of risk happens through a risk analysis and risk assessment, where risks are identified and mitigated. The separation or duplication of risk can be achieved by spreading out resources that can be impacted by elements of risk. This could include for example, splitting up supplies and equipment into various storage areas in
case of a fire. Transferring risk involves the re-allocation of risk to someone else, i.e. relying on the organizing committee to take care of all aspects of risk management. This breakdown of approaches to reduce risk is important to this study as it provides a framework in which to analyze the risk management strategies that occur in the data analysis.

Other studies have been less specific in addressing the range of risk management strategies useful to an organizing committee and it is unknown if they were based on empirical testing. Getz (2005, p. 297) discussed “implement[ing] strategies by formulating an action plan, training appropriate staff and volunteers, and rehearsing crucial operations (e.g. emergency response).” Appenzeller (2005) identified several very specific risk management strategies for coaches, only some of which can be transferred to a sport event setting. They include informing participants of inherent risks and how they can protect themselves, developing a medical response plan based on the resources that are available, equipment and venue inspections, appropriate signage, and supervision of high risk activities. The issues that Appenzeller identified are very specific and not necessarily applicable for a broader range of issues or settings (e.g. events).

Other researchers present strategies that have been used at specific events. For example, Toohey, Taylor and Choong-Ki (2003) stated the following security principles were used in the Sydney Games to help reduce the possibility of violence or terrorist acts: 1) ensured that entry into the country for the Olympic Games was aligned with current Australian policies; 2) all persons involved received background checks; 3) tightened security in sensitive areas; 4) swept all venues to check for any potential red flags, 5) incorporated screening and metal detectors before admittance to Olympic venues and
high risk areas; and 6) imposed strict regulations on vehicles and other items upon entry
into the sites to help reduce the possibility of violent activity at the Games. Again, the
issues identified by Toohey et al. are very specific to the mitigation of violence and
terrorism. There is a need to have strategies to address all aspects of risk (e.g., financial,
human resources, sport).

Some additional risk management strategy examples that can be seen in the
sporting world include the National Football League (NFL)’s efforts to implement a best
practices plan to help improve stadium and event security (Piccarello, 2005); some sport
stadiums’ successful lobbying of the United States federal government to make the
stadiums no-fly zones (Piccarello, 2005); and, the IOC’s (International Olympic
Committee) attainment of insurance on television broadcast revenue in case of boycotts
like the one by the Americans at the 1980 Moscow Olympic Games, which could highly
affect their revenues (Chappelet, 2001).

Some strategic actions that can be put into place to help reduce risks are the
increased visibility of police and security officers at venues, evidence of an electronic
video surveillance system in the planning and building process, the layout of the facility
and infrastructure, good lighting, and the proper use of security gates (Peterson &
Hronek, 2003). These are all actions event management committees should take into
consideration when developing a risk management plan in the early stages of the event
planning. Although Peterson and Hronek identified several strategies, again they are
specific to only one category of risk issues highlighted in the previous chapter,
operations.
Minimal research is available on strategies used to mitigate risk, especially generic strategies (such as those presented in the broader strategic management literature) dealing with all types of risk as the majority of strategies listed above look at risk from a security/safety and/or operations perspective(s). The strategies do not include all of the elements or areas of risk that have been identified in the previous chapter as areas of concern such as the risk issue categories (e.g. financial, media, environment). Now research needs to focus on risk management strategies, not only for the security and safety aspects of risk, but also for the risk management issues that arise in large-scale sporting events. It is also important to determine if risk management strategies differ between stakeholders or if there are common risk management strategies between all of the groups affecting or being affected by the event.

**Stakeholder Theory**

To help address the proposed research question, it is worthwhile to look at Parent’s (2005) combination of the event management literature with stakeholder theory (see Clarkson, 1995; Freeman, 1984; Mitchell, Agle & Wood, 1997), which provides a strong theoretical foundation and allows for the inclusion of existing literature on risk management. Stakeholder theory is concerned with exploring the linkages between the focal organization (the organizing committee) and their stakeholders (Freeman, 1984). Stakeholder theorists are not only responsible for understanding stakeholders’ issues, but also for determining strategies for responding to stakeholders’ needs and actions (Freeman, 1984).

Donaldson and Preston (1995) identified three distinctive approaches for stakeholder theory: a descriptive/empirical approach, an instrumental approach, and a
normative approach. The first approach reviews the details of the actions of the focal organization. The second, instrumental approach looks at the ties between the organization and their stakeholders and how it connects to their overall objectives. Thirdly, the normative approach identifies morals and guidelines in the organization’s overall functioning.

Many possible stakeholders of organizations, or in this case organizing committees of large-scale sporting events, have been identified in the literature. Some of the potential stakeholders include employees, shareholders, customers, suppliers, and the public (Clarkson, 1995). Previous research on mega-events showed that the local populace, local government, and local business are all major stakeholders in events (Ritchie, 1984). Additional potential stakeholders, proposed by Emery (2001), included international and national governing bodies, organizing committees, media, and sponsors. Finally, Masterman (2004) identified the following categories of stakeholders because of the influence they hold over the execution of an event: customers, suppliers, partners, investors, staff, and external influencers. In this research, the stakeholders that are identified are the sport organizations, organizing committee members, government representatives (municipal, provincial, and federal), security representatives (federal government and organizing committee), media (television and print), delegation representatives, and community members (sponsors and residents). These stakeholder groups were inductively created based on the research by Parent (2005) and the other studies stated above. Security members were not identified as stakeholders in the above mentioned research but were included here through a snowballing technique with
interviewees because of the predominance of security related issues found in the literature (cf. Appenzeller, 2005; Piccarello, 2005; Toohey et al., 2003).

This study uses mainly a descriptive approach to stakeholder theory (cf. Donaldson & Preston, 1995). This tradition facilitates the gaining of insights relating to risk management strategies in large-scale sporting event organizing committees and their stakeholders. It also further helps to reflect and explain actions of the organizing committees and stakeholders. Using stakeholder theory to study risk management strategies in sporting events allows for the examination of the topic from both sides of the equation, i.e., from the organizing committee’s and the stakeholders’ perspectives.

Focusing on stakeholders, Frooman (1999) suggested that there are four types of stakeholder influence strategies: direct withholding, indirect withholding, direct usage, and indirect usage. Withholding strategies (i.e. direct and indirect) occur when a stakeholder group stops providing something an organization needs in order to get them to proceed with the desired action or outcome. Usage strategies, both direct and indirect, are seen when stakeholders continue to provide the organization with their required resources but only if they are willing to agree to certain conditions. Frooman also noted that four types of resource relationships exist: stakeholder power, high interdependence, low interdependence, and firm power. “The balance of power implied by the relationship determines which of the types of strategy a stakeholder will use” (Frooman, 1999, p. 203).

In order to completely understand the interrelationship between stakeholders and their use of risk management strategies it is first important to comprehend the relationship dynamics between stakeholders and focal organizations (organizing
committee). Most research on stakeholder strategies (e.g., Oliver, 1991; Clarkson, 1995) focuses on focal organization strategies for dealing with their stakeholders. Little research (except Savage, Nix, Whitehead & Blair, 1991; Frooman, 1999) presents strategies for stakeholders to use when dealing with the organizing committee or other stakeholders involved in the same event. Moreover, although researchers have identified several strategies to deal with the management of stakeholders, there is little research (except Berlonghi, 1990). This study aims to fill this gap on the types of strategies that stakeholders use to deal with risk issues and even more specifically risk management issues in large-scale sporting events.

Methods

In order to identify the strategies that stakeholders and organizing committee members use to deal with the various risk issues that arise in events, a case study of two large-scale sporting events was built. The case study design was used because it provides the researcher the opportunity to delve further into the case at hand (Yin, 2003). The ability to deal with naturally occurring events and focus on relationships within the selected settings also reinforces the choice of methodology (Yin, 2003). Using stakeholder theory, two typical Canadian settings were selected for the pre- and post-event analysis of risk management strategies used by the organizing committees and stakeholders of large-scale sporting events. Stakeholder theory was used because it allows for the exploration of risk management strategies from various perspectives, thus dealing with the subjective element of risk. It also allowed for the inclusion of existing literatures on event management, risk management and strategic management (cf. Parent, 2005).
Settings

The settings were selected based on a set of similar and differing characteristics. Both events were held on Canadian soil, and they are only 1.5 years apart so as to ensure a relatively similar political and socio-cultural setting, as well as global economic realities. They are also both single sport type event of an international nature so the findings would be compatible and comparable. The two selected settings also allowed the researcher to compare multi- versus single-site events, winter versus summer events, as well as investigating the pre-planning perspective versus post-planning perspective as a result of the data collection occurring after the wrap-up of one event and during the planning phase of the other.

Setting 1: 2006 World Figure Skating Championships. The ISU’s World Figure Skating Championships were held March 20-26, 2006 in Calgary, Alberta. During this event, Calgary hosted more than 200 of the world’s best figure skaters who competed in four events: men’s and ladies singles, pairs, and ice dance. More than 200,000 spectators attended the event and 150 million television viewers world-wide tuned in to watch the event (Skate Canada Worlds, 2006). There was a national organizing committee for the event that was based out of the Skate Canada offices in Ottawa, as well as a local organizing committee on location in Calgary. Throughout the process, the ISU had designated representatives assigned to the event in order to supply the national organizing committee with feedback and guidance, and also to oversee the event.

Setting 2: FIFA U-20 World Cup Canada 2007. The Canadian Soccer Association will host this biennial, three-week, 24 nation, 52 match tournament between June 30 and July 22, 2007 (Canadian Soccer Association, 2006). The U-20 World Cup will be taking
place at multiple locations across Canada: Montreal, Ottawa, Toronto, Edmonton, Burnaby, and Victoria. The organizing committee structure is made up of a national organizing committee which operates out of Ottawa and a site organizing committee at each of the six venues. FIFA also had designated representatives appointed to the event in order to oversee the planning and preparation process and to provide information throughout the event.

Data Collection

Two main data collection techniques were used in this study 1) data was gathered from archival material to better understand the structure, processes and decisions of the organizing committees related to risk management, as well as to gather a list of stakeholders that impacted each event; and 2) semi-structured interviews enabling further examination of risk management strategies raised by the organizing committees and their stakeholders.

Archival material consisted of a combination of over 60 documents including newspaper articles, organizing committee documents such as reports, event policies and guidelines, presentation slides (i.e. organizing committee member presentation information at a local conference), and website information from 5 sources (i.e. Canadian Soccer Association, Skate Canada, ISU, FIFA/2007 U-20 World Cup, 2006 ISU World Figure Skating Championships).

The inclusion of multiple data sources provided richer data thus reinforcing data validity (Miles & Huberman, 1994; Yin, 2003). Eleven interviews from setting 1 and twelve interviews from setting 2 were conducted with identified stakeholders. Interviews lasted between 20 and 90 minutes. Some of the stakeholders interviewed crossed over to
both events such as broadcast media, federal government security representatives, and federal government representatives because they spanned both events. Based on Parent (2005) and in the tradition of stakeholder theory, two individuals from the organizing committee (a national organizing committee representative and a local organizing committee representative), security representatives (federal and organizing committee), government officials from each level of government (municipal, provincial and federal), representatives from the host sport organizations (Skate Canada and the Canadian Soccer Association), media representatives, delegation members, sponsors and community members participated in the interviews. For a more detailed breakdown of stakeholder interviews refer to table 3-1. The archival material mentioned above was converted into electronic format if needed, and the interviews were transcribed verbatim following Denscombe (1998).

Data Analysis

Coding of the data was done using Berlonghi’s (1990) breakdown of strategic options to mitigate risk in events. During a content analysis of the data, cross-setting analysis was used to compare common themes that emerged from a pattern matching approach between the two settings (Yin, 2003). More precisely the qualitative data analysis software ATLAS.ti 5.0 facilitated data retrieval by highlighting emerging themes and strategies. To ensure quality control, interviewees were asked to review transcripts and provide feedback to ensure of complete and accurate data. All data was coded twice to ensure consistency and diagrams were used to make the findings clearer and easier to interpret.
Results and Discussion

"You have to determine your risks, then you look at the degree of the risk, and then you set up your process to ensure a positive outcome and not a negative outcome" (Skating Organizing Committee Member). This quote reinforces Appenzeller’s (2005, p.13) definition that, “a strategy is a course of action;” strategies help to identify and mitigate risk. Findings related to risk management strategies highlighted by stakeholders will be presented in two ways. First, an analysis (and categorization) of the strategies that emerged during data analysis will be presented. Next, the strategies will be analyzed according to their use between and within each stakeholder group.

Risk Strategy Categories

Berlonghi’s (1990) identification of strategic options to deal with risk was used as the starting point for the analysis of the interview and archival material data. Initially, Berlonghi identified five strategies for dealing with risk in events: avoidance, reduction, prevention, separating/duplication, and transference. Data analysis resulted in the emergence of seven risk management strategy categories, five of which (transference, avoidance, reduction, prevention, and separation/duplication) supported Berlonghi’s initial framework. However, transference and separation/duplication were renamed reallocation and diffusion respectively to better represent this study’s findings.

The sixth risk strategy that emerged from the findings was legal. Originally part of the prevention/insurance category, findings indicated that the insurance component should be separated from prevention and renamed legal in order to broaden the scope of the category, no longer limiting it to only include insurance related tactics.
A completely new strategy category also emerged, that of relationships. Findings highlighted much stakeholder discussion around relationships, partnerships, cooperation, and involvement, thus the reasoning behind the creation of the new category. Therefore,
the risk strategy categories that emerged were reduction, avoidance, re-allocation, diffusion, relationships, prevention, legal, and relationships.

The most prevalent risk strategy was reduction, which far exceeded (in a ratio of 3 to 1) the use or mention of other strategies by the organizing committee and stakeholders, followed by relationship, legal, and avoidance strategies. Reduction is action taken to lessen or diminish risk; certain risks cannot be avoided, and therefore actions must be taken to minimize their impact (Berlonghi, 1990). The reduction category is a very broad category; and, as a result, many tactics or courses of action that members of the organizing committee or stakeholders may take included staffing (supplementing paid security with volunteers), facility management (crowd control, responsible alcohol service), planning (contingency plans, emergency response plans, risk management plans), education (training, informing stakeholders), and proper communication. The following quote reflects the use of staff to reduce the severity of injuries to delegation members, particularly athletes:

We always travel with an athletic therapist or physiotherapist, one or the other; and then we also always have a local, if we can’t travel with a doctor, because there are some issues right now with regards to insurance for doctors traveling with teams. So if we can’t travel with a doctor, then we make arrangements through our medical committee to have a local doctor that we can go to in case of an emergency, or they can come to see us in case of an emergency. We also, with our athletic therapist/physiotherapist, always as soon as we arrive find out about the local hospitals, how to get there, and then also clinics if something is not an emergency, if they need to have x-rays done or those types of things, if it is available. (Soccer Delegation Member)

The next most common strategy used by organizing committee members and stakeholders in this research was relationships. The relationships risk strategy category involved mitigating risk by cooperating with, balancing and meeting needs, developing
long term relationships, and engaging stakeholders in the overall event management process.

Communication with the various stakeholders is very important, educating everyone that the event is coming; and as we develop our plans, communicate that plan to all the respective parties is very important. Support of all the public service agencies, RCMP, fire, ambulance [and], the first responders is really key so that they are in tune with what we are trying to accomplish; and trying to achieve and we can then, you know, everyone is working off the same page to make the event happen. (Soccer Organizing Committee Member)

Legal strategies included the use of insurance to protect against financial issues, the development of laws to forbid something from happening, and the use of contracts and agreements to legally bind individuals and organizations for meeting their responsibilities.

We've got a standard contribution agreement which is probably a good 30 pages; and as you would suspect when contracting with a provincial government, there is a lot of legalese within that protecting the province through providing insurance ... and all the different provisions within that insurance coverage that the province requires...A guarantor agreement will identify who is responsible for cost overrun, you know, we put in, you know, what the expected performance measures are going to be in there and all the reporting requirements you require that will allow the province to stay on top of this event to ensure that they are doing a good job mitigating the risk that we would perceive ahead of time when we are developing this agreement. (Soccer Provincial Government Representative)

Some event issues were perceived to be too risky and thus needed to be avoided.

Avoidance risk management strategies were the actions taken to anticipate risks, determine their possibility of occurrence, and then weighing them to decide whether their severity was too great and therefore should be avoided (Getz, 2005). Avoidance strategies emerging from this research included evaluation, research, and risk assessments specific to the event:

It is very important. Like I said, if you don’t weigh the risks before you go into this, every sponsorship we take on, whether it be a small soccer team or a basketball facility or the U-20 event, we sit down beforehand and weigh the pros
Risk Management in Events

and cons of what our participation will mean. We probably turn down more than we accept frankly for that matter because we just don’t think that what the partner is promising will be delivered and we don’t want to associate our brand with that particular program. So basically, before we make a decision on any sponsorship, we do a full analysis of the event. (Soccer Event Sponsor)

Other strategies that surfaced in the findings included re-allocation or the transference of risk. As reflected in the following quote, some stakeholders transferred the responsibility of risk management to a different stakeholder of the event. This could be a result of their previous experience and expertise in handling these issues or the fact that other things had a higher priority for them.

I think anytime there is a FIFA-sanctioned event, because as we are seeing now with our event staff going through all the requirements with FIFA and with all the screening and everything like that do, I think for World Championships or Confederation championships, I think there is a lot less risk associated with them just because FIFA and the CONCACAF [Confederation of North, Central American and Caribbean Association Football] and the Canadian Soccer Association have such strict and stringent regulations for what is acceptable and what is not for teams. So I think once you are up to the World or confederation level there is less concern. (Soccer Delegation Member)

Although prevention and diffusion strategies were not very prevalent in the findings, they were still present. Prevention was the complete elimination of risk (e.g., security not allowing certain objects enter the stadium such as umbrellas or long range lens cameras) (Berlonghi, 1990). In the present study, this was exemplified by the banning of objects from the event and the enforcement of strict rules and regulations.

We have a camera policy, so you are not allowed to take pictures, and we clearly state that if you put pictures on the website, then you know we are going to prosecute you to the full extent of the law. (Skating Organizing Committee Member)

In turn, diffusion is the spreading out of risks. Berlonghi (1990) stated that this could include the storing of equipment in various facilities, thus minimizing the effect of a fire or theft, or the creation of a backup or standby (for example backing up computer files in
case of a computer glitch). During both events, alternative training venues were provided in order to help diffuse the amount of use and destruction on the actual competition playing surface. Table 3-2 presents the various risk strategy categories and their specific sub components.

Table 3-2: Description of Risk Strategy Categories Identified by Key Stakeholders.

<table>
<thead>
<tr>
<th>Risk Strategy Category</th>
<th>Specific sub components</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduction</td>
<td>Planning, clear organizational goals, training, staffing, controlling, test events, communication, education, facility management, previous experience, accreditation</td>
</tr>
<tr>
<td>Avoidance</td>
<td>Research and evaluation, individual event assessments, risk assessment</td>
</tr>
<tr>
<td>Re-allocation</td>
<td>Transferring risk or responsibility for risk to somebody else</td>
</tr>
<tr>
<td>Diffusion</td>
<td>Spreading out of risk, creation of back-ups</td>
</tr>
<tr>
<td>Prevention</td>
<td>Rules and regulations, replacement, bans</td>
</tr>
<tr>
<td>Legal</td>
<td>Insurance, laws, contracts/agreements</td>
</tr>
<tr>
<td>Relationships</td>
<td>Negotiation, cooperation, meeting stakeholder needs, stakeholder engagement, partnerships</td>
</tr>
</tbody>
</table>

As can be seen in the above findings, risk management strategies are indeed about the “adoption of courses of action” (Chandler, 1962, p. 13) to deal with the impending risk issue at a sporting event. Thus, risk management strategies are all the tactics or courses of action implemented by stakeholders at large-scale sporting events to deal with potential risk management issues that may arise. The findings also support Andrew’s (1987, p. xi) concept of strategies being “directed at a specific result in a specific period of time” because the strategies identified in this study were particular to dealing with risk in large-scale sporting events.

Although Berlonghi’s (1990) risk strategy categories did not have a relationship-related component, other researchers in the strategic management realm such as Oliver (1991) identified the need for compromising with stakeholders by either balancing
expectations, pacifying them by accommodating their needs or bargaining with the
stakeholders, thereby supporting the inclusion of a relationship strategy category when
dealing with risk management in large-scale sporting events.

The strategies identified are corporate strategies as described by Slack and Parent
(2006) because the risk management strategies identified are broad and generic enough to
be followed or used by the entire organization. Nevertheless, the strategy categories’ sub
components related to business strategies (cf. Slack and Parent, 2006) because they are
more specific to actual issues and to particular areas or stakeholders of the event. Many
of the risk management strategies provided in the literature are very specific to a
particular issue as mentioned above. Therefore, the categories that emerged in this study
provided a stronger classification outline as they are a simplified way for identifying
broad risk management strategies to use when mitigating risk management issues in all
15 issue categories identified in the previous chapter.

Risk strategies by stakeholder group

While the most prevalent strategy was reduction, there were between- and within-
stakeholder group (Wolfe & Putler, 2002) differences for risk management strategies
used. First, sponsors (part of the community stakeholder group) tended to avoid risk by
assessing the event as noted earlier: “we sit down beforehand and weigh the pros and
cons of what our participation will mean. A lot of them, we probably turn down more
than we accept” (Soccer Event Sponsor). But, if the sponsor does get involved in an
event, their main strategy to mitigate risk was by legal means through a contract or
agreement, as the following quote exemplifies:

We have contracts that definitely go back and forth, we have a legal review, our
legal and our lawyers become good friends with the property owners and the
property lawyers, and that’s with anything we do. We get a contract. (Skating Event Sponsor)

Whereas residents, who were also part of the community stakeholder group, security, media, delegation members, and national sport organizations, stakeholder reduction and relationship strategies were more prominent.

“Everyday we had a meeting of the security team from both rinks [...]. We talked about the different levels of security from the day before and what the risks actually were, what had happened and what was done and what we could do to change things” (Skating Security Stakeholder).

Second, all three levels of government (municipal, provincial and federal) had similar strategies, where reduction was their most frequent strategy, followed by legal in terms of contracts and relationships and avoidance strategies. In addition, the municipal government also relied on re-allocation strategies when risks arose. For governments, the development of policies and guidelines (such as the Sport Canada Policy for Hosting International Sport Events and the province of Ontario’s International Amateur Sport Hosting Policy and Guidelines), as well as proper planning initiatives, were common reduction actions. This is reflected in the comments below.

Our new International Amateur Sport Hosting Policy and Guidelines, and I guess that is a new strategy or a new process that we are following. Prior to that, we were definitely doing a more ad hoc system, where, based on every event, we dealt with them a little bit differently. The purpose behind the policy and guidelines was to provide a clear framework for either municipalities or external events rights holders to have a clear sense of how they can engage the provincial government in supporting these events that provide a definite value for the province for sport development, for economic reasons, or for social and cultural reasons as well. (Soccer Provincial Government Stakeholder)

Organizing committee members, both at the national level and the provincial level, used reduction as their main risk strategy (4:1 ratio). This was an important strategy for them because they faced the most risks, including the risks of the stakeholders of the event
The organizing committee members also used avoidance, legal, and prevention strategies. It is interesting to note that the re-allocation strategy did not emerge for organizing committee members. It was usually stakeholders of the event re-allocating risk to the organizing committee and the national and international sporting bodies because of their overall responsibility for the event's end result. For example, delegation members re-allocated risk to the organizing committee and the international sport organization:

[It is] always difficult to pre-scout the sites, so if it is a qualifying event, all those sites will be pre-screened by either CONCACAF, which is our confederation, or FIFA, if it is a world event. If they pre-screen it, then it is obviously, if it has been approved by those confederations, then it is up to a certain standard. (Soccer Delegation Member)

Table 3-3 illustrates risk strategies by stakeholder group.

The findings highlighted above are crucial for the development of the sport event management and risk management literatures because they consider the perspectives of the various stakeholder groups, as well as provide specific strategies for each group when dealing with risk management issues in large-scale sporting events. As can be seen in previous research highlighted earlier in the paper (e.g., Appenzeller, 2005; Peterson & Hronek, 2003; Piccarello, 2005; Toohey, et al., 2003), many of the previous risk management strategies were very specific to the event (or issue). The seven strategy categories identified in this research provide a comprehensive framework for many of the identified strategies in the literature, without making the categories too broad, and therefore making it easier for professionals in the sport event management field to strategize on how to deal with potential and actual risk issues. While the papers findings are mainly (analytically) generalizable to large-scale sporting events (cf. Yin, 2003), their
Table 3-3: Risk Strategies by Stakeholder Group

<table>
<thead>
<tr>
<th>Stakeholder Group</th>
<th>Stakeholder</th>
<th>Risk Management Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Reduction</td>
</tr>
<tr>
<td>Organizing</td>
<td>National-Organizing Committee Member</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>Site-Organizing Committee Member Security Representative</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>Security Representative- Organizing Committee</td>
<td>X</td>
</tr>
<tr>
<td>Canadian Governments</td>
<td>Federal Government</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>Federal Government- Security Representative</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>Provincial Government</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>Municipal Government</td>
<td>X</td>
</tr>
<tr>
<td>Media</td>
<td>Broadcast Media</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>Print Media</td>
<td>X</td>
</tr>
<tr>
<td>Community</td>
<td>Event Sponsor</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>Local Community Member</td>
<td>X</td>
</tr>
<tr>
<td>Delegation</td>
<td>Delegation Member</td>
<td>X</td>
</tr>
<tr>
<td>Sporting Bodies</td>
<td>National Sport Organization</td>
<td>X</td>
</tr>
</tbody>
</table>

broadness allows for a flexibility in application, thereby arguably making them
generalizable to other types of events and organizations—nevertheless, this remains to be
tested.

In the literature, stakeholder strategies such as direct withholding, indirect
withholding, direct usage, and indirect usage identified by Frooman (1999) seem to be
linked to dealing with the specific risk issues within the relationships category because
they focus on the interactions between the stakeholders of the event and the focal
organization, in this case the organizing committee. These strategies may not always
apply when trying to mitigate issues such as environmental or threats as it is not always possible to have a reaction or a relationship with the other party involved, especially for the other strategies (i.e. avoidance, reduction, re-allocation, diffusion, prevention, and legal). Therefore, these stakeholder strategies do not have a very strong link to the risk management strategies found in the literature and in the results of this study.

Conclusions and Future Directions

This paper examined risk management strategies used by the various stakeholders and organizing committees of two large-scale sporting events. Findings highlighted several general categories of strategies that were and can be used by stakeholders in events. The strategy categories that emerged in the data analysis were: reduction (lessening or diminishing risk), avoidance (staying away from risk), re-allocation (transferring of risk to other parties), diffusion (separation or dispersion of risk), prevention (elimination of risk), legal (insurance against risk), and relationships (cooperation and balancing risk). The most frequently used risk strategies were reduction tactics, followed by the development of stakeholder relationships, legal strategies, and avoidance.

This study also highlighted the risk strategies by stakeholder group. All stakeholder groups used some type of reduction strategies to deal with risk. In addition, sponsors (part of the community stakeholder group) used avoidance and legal strategies, whereas all three levels of government dealt with risk issues, most often through reduction, legal, relationship development, or by avoiding risks altogether. This is reinforced by recent developments in hosting policies by the federal government and
some provinces, namely Ontario and Québec. Organizing committee members seemed to face the most risk and use reduction tactics as a primary way of mitigating risk.

This paper makes a significant contribution to the academic literature because of the empirically-based description and categorization of risk management strategies for large-scale sporting events. This research also contributes to the building of stakeholder theory, particularly for exploring event management. A between-stakeholder and within-stakeholder analysis performed showed differences both between and within stakeholder groups, thus supporting Wolfe and Putler’s (2002) research on stakeholder heterogeneity. Findings provide an empirically-, stakeholder-based reference point for bid team members, organizing committee members, and event stakeholders when researching ways to mitigate risk in their events throughout its lifecycle.

Now that the strategies have been identified, future research should explore the relationship between specific risk issues and risk strategies. Are there particular strategies commonly used for specific risk issues? This research could also be done in different sport event settings, for example in both small (e.g., community tournaments) and mega events (e.g., Olympic Games), and in different types of sport organizations, to determine the generalizability of the strategies found in this study. Also, how would strategies change in terms of the location of the event? Would different strategies be identified if the event setting were in a different part of the world (i.e. Europe or Africa) as the political and economic environment may have an impact on preparing and hosting an event? An in-depth examination could also be done on each of the strategy types identified to further explore their usage and implications on risk management issues.
Another interesting area of research to pursue would be the use of strategies by the various (hierarchical) levels of the organizing committee (international sport organization to the national organizing committee to the local/site organizing committee). Also, following in the steps of Parent (2005), an examination of strategy use over time and an investigation of the factors affecting strategy use by organizing committees and stakeholders would help develop the literature on sport event risk management.
References


CHAPTER 4
General Discussion and Conclusion

The major research objective of this master’s thesis was to explore risk management issues and strategies from a stakeholder perspective. This was accomplished by selecting organizing committee members and event stakeholders of large-scale sporting events based on previous studies in the sport event management, risk management, and stakeholder theory literatures, collecting archival material, and interviewing the various stakeholders about the risk issues they encountered and the strategies they used to deal with these identified risks. The findings can now be combined to discuss the similarities and differences between the two case studies’ two settings, the ISU 2006 World Figure Skating Championships and the U-20 FIFA World Cup 2007.

The following chapter highlights the findings of this research study. First, it reviews the importance of risk management in sporting events, risk management issues, and risk management strategies used to deal with the risk issues. Then event settings are then compared and contrasted, which is followed by an analysis of risk strategies specific to each risk issue category. An overview of stakeholder findings is also discussed. Finally, contributions to the field and possible avenues for future research are presented.

Risk Management

When examining risk management issues, it was first critical to determine the importance of the topic to the stakeholders and members of the organizing committees, as well as to gain an idea of what their perception of risk management was. Risk management was also explored in terms of the effects of terrorist activities such as 9/11
on perceptions of risk. Finally, both risk management issues and strategies were
identified and categorized, as well as analyzed for differences between and within
stakeholder groups.

Importance of Risk Management

According to the findings, risk management is a crucial aspect of the sport event
management process. “Zero risk management is not an option” (Federal Government
Security Representative). Risk management is critical as it has an impact on all planning
aspects of the event. Factors such as location, staff experience, facilities, and timing all
played a role in planning and executing the sporting events studied. Therefore, findings
highlight the importance of performing a risk assessment and developing a risk
management plan specific to each event.

This study also proposed a new definition of risk management in large-scale
sporting events. Findings highlighted that risk management is a proactive process, it has
many levels, and it is affected by factors such as timing, size, complexity, and location of
the event. With this study’s findings, risk management can now be re-defined as a
proactive process that involves assessing all possible risks for the event and its
stakeholders by strategically anticipating, preventing, minimizing, and planning
responses to mitigate those identified risks. This new definition is more specific to
sporting events than previous definitions in the literature, it was developed through
empirical analysis, and it incorporated perspectives of organizing committee members
and event stakeholders.
Several risk management issues emerged from the various stakeholders’ and organizing committee members’ perspectives. The data was coded and categorized based on Parent’s (2005) categorization of 13 issue types typically dealt with by organizing committees of sporting events. The risk management issues that emerged as a result of the findings from this research were: environmental, financial, human resources, infrastructure, interdependence, legacy, media, operations, organizing, participation, political, relationships, sport, threats, and visibility. Although, Parent’s research provided a solid framework for the analysis of risk management issues, two new categories (environment and threats) were added to expand the original issue categorization. The most common risk issues identified were operational risks followed by financial, visibility, and human resources related issues. This list of risk management issue categories will provide researchers, event organizing committee members, and event stakeholders with a common starting point for the understanding of risk management issues.

Risk issues were also analyzed according to each stakeholder group. As a result, findings showed that risks were indeed specific or more or less prominent between and within stakeholder groups. For example, sponsors (part of the community stakeholder group) were concerned with financial, organizing, and visibility risks, whereas the organizing committee members and the national sport organizations were concerned with all risk issues. An example that supported Wolfe and Putler’s (2002) stakeholder heterogeneity were the differences found between the two different types of media included in the study. Broadcast media was concerned with more risk areas than print media.
media. This was likely the result of the amount of money and resources invested in the events as compared to print media.

Risk Management Strategies

Several risk management strategies used by stakeholders were also identified. Berlonghi's (1990) five general approaches (described below) to reducing risk were used as a starting framework for the classification of strategies found in the data. While findings supported these five approaches, findings suggested that two additional strategy categories (legal and relationships) be added. Thus, the strategies used to deal with risk issues identified by the various stakeholder groups in the study were prevention, avoidance, reduction, diffusion, re-allocation, legal, and relationships.

The most popular risk management strategy to emerge was reduction. According to Chappelet (2001), when hosting sporting events, risks are inevitable. Therefore, it is understandable that reduction be the most popular risk strategy used by stakeholders and organizing committee members because reduction strategies encompass all the actions taken to lessen or diminish the inevitable risks. Some the actions that fall within this strategy grouping include crowd control, facility management, planning, and education. Also, many of the actions/strategies identified in the literature review (cf. Appenzeller, 2005; Peterson & Hronek, 2003; Toohey, Taylor & Choong-Ki, 2003) and this study seem to fall into the operations category. The operations category was followed by relationship and legal strategies. Relationship, i.e. the connection between the organizing committee and stakeholders, specifically incorporated tactics like cooperation, negotiation, ongoing involvement, and engagement initiatives to reduce risk. Legally
Risk Management in Events

handling risk included actions like obtaining insurance, forming/adopting legislation, and signing binding agreements/contracts.

Upon completion of the strategy portion of the research, evidence suggested that this definition should be amended to reflect the strategies found in the research as the methods used to mitigate the identified risks. Thus, the definition of risk management in large-scale sporting events is the proactive process that involves assessing all possible risks to the events and its stakeholders by strategically avoiding, preventing, reducing, diffusing, re-allocating, legalizing, and building/managing relationships to mitigate those identified risks. This definition is more specific to risk management in a sporting event context and it was developed through empirical research incorporating the perspectives of multiple event stakeholders and organizing committee members.

Comparison of Event Settings

As shown by Shone and Parry (2004), events can be classified at three different risk levels: low, medium, and high. According to the above definition, the 2006 World Figure Skating Championships would be considered a medium risk event because it was a typical indoor sporting event, slightly more complicated than a low risk event. Also, the fact that Skate Canada has hosted the event in previous years lowered the risk for that event. In contrast, the U-20 FIFA World Cup Canada 2007 would be considered a high risk event because of the multi-site format, increased number of individuals and stakeholders involved, and the lack of experience of the Canadian Soccer Association and individual cities in hosting an event of this magnitude.

After characterizing the risk issues and strategies, it is now possible to look at the differences between the two case settings. There did not seem to be a difference between
settings in terms of the seasonality of the sport, nor whether it was indoors or outdoors.

When comparing risk issues across the settings, there was relatively little difference
between many of the categories, for example the threats, political, interdependence, and
participation issue categories. However, there was a slight variance (i.e. number of
mentions in the data) in the human resources, environment, financial, organizing,
visibility, infrastructure, legacy, sport, and media categories. The differences between
settings in terms of the environment, legacy, financial, and infrastructure are likely
directly related to the building of new infrastructure such as the soccer stadium in
Toronto for the U-20 FIFA World Cup Canada 2007 (Setting 2) event. The construction
of facilities of this magnitude would have a direct impact on these categories because of
the cost, potential environmental impacts, and new opportunities created for the public. In
contrast, for the 2006 World Figure Skating Championships (Setting 1), no new stadiums
had to be created, and existing infrastructure was not modified. In the operations and
organizing categories, the increased number of mentions for Setting 2 were probably the
result of the multi-site complexity and the increase of staff and volunteers involved in the
project, as well as the higher risk associated with the event. An additional reason for the
difference in the operations categories were the different types of fan bases (i.e. knitting
grannies vs. soccer hooligans) which had an impact on things such as crowd
management, facility management, and alcohol provision, which were highlighted in the
data analysis. Table 4-1 details mentions of the issue by stakeholders of each of the
settings.

As for strategies used by stakeholders in each of the settings, there did not seem to
be a significant difference in terms of types of strategies used. Diffusion, legal,
avoidance, and reduction had similar results for each setting. Setting 2 stakeholders tended to mention prevention, relationship, avoidance, and re-allocation strategies more frequently than the stakeholders of Setting 1. These findings again were likely impacted by the multi-site dimension and the increased number of stakeholders involved in the event. Table 4-2 details the risk strategies used by stakeholders to deal with risk issues in each of the event settings in terms of mentions in the interview data.

Table 4-2: Risk Strategies by Event Setting (number of mentions)

<table>
<thead>
<tr>
<th>Risk Strategies</th>
<th>Setting 1 2006 World Figure Skating Championships</th>
<th>Setting 2 U-20 FIFA World Cup Canada 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal</td>
<td>8%</td>
<td>9%</td>
</tr>
<tr>
<td>Prevention</td>
<td>3%</td>
<td>5%</td>
</tr>
<tr>
<td>Relationships</td>
<td>21%</td>
<td>22%</td>
</tr>
<tr>
<td>Diffusion</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Re-allocation</td>
<td>2%</td>
<td>5%</td>
</tr>
<tr>
<td>Avoidance</td>
<td>10%</td>
<td>11%</td>
</tr>
<tr>
<td>Reduction</td>
<td>57%</td>
<td>48%</td>
</tr>
</tbody>
</table>
Relationship Between Risk Issues and Risk Strategies

Now that research has been completed on both the risk issues and strategies of large-scale sporting event organizing committees and stakeholders, it is possible to determine whether there is a relationship between risk issues and specific strategies used to deal with that issue. Findings supported the idea that specific types of strategies are indeed used to deal with specific risk issue. For example, typical strategies used to deal with operations risk were re-allocation, reduction, relationships, and avoidance, but that reduction and relationship strategies far exceeded the other strategy types when dealing with operational risk. Human resource risks were dealt with mainly through reduction strategies (e.g. training, planning). Legal and reduction strategies tend to be used most frequently for financial risks. For a full breakdown of the relationship between risk issues and risk strategies refer to Table 4-3.

There is also a difference between the number of strategy category categories and the number of issue categories identified (15 issues versus 7 strategies). Nonetheless, as Table 4-3 highlights, findings indicated that strategies can be used for more than one issue categories. Conversely, there is variability in the number of strategies which can be issues category therefore minimizing the need for as many strategy categories as risk used to deal with a particular risk issue. More precisely, some issues (e.g., environment) seem to only be dealt with using one strategy, whereas other issues (e.g., operations) can be dealt with using more than one strategy. There are two implications for this finding; first, event managers and stakeholders may be limited in how they respond to particular risk issues; and second, the number of strategies applicable to a risk issue category may
Table 4-3: Relationship Between Risk Issues and Risk Strategies

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<td>Legal</td>
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<td>Prevention</td>
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<tr>
<td>Relationships</td>
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<td>Diffusion</td>
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<td>Re-allocation</td>
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<td>Avoidance</td>
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<tr>
<td>Reduction</td>
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<td>X</td>
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<td>X X X X X X X X X X X</td>
<td>X</td>
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</table>

be indicative of the broad versus narrow breadth of the issue category (i.e. broader breadth results in more types of strategies possible).

**Stakeholder Findings**

First, some stakeholders in the study such as federal government representatives, federal government security representatives and broadcast media spanned both event settings because of their relevance to both and their role nationally. This showed that some stakeholder groups are similar for multiple sporting event settings in Canada and supports the reasoning for using two settings within a case for this research rather than multiple case studies. This also contributes to the generalizability of the study as some of
the stakeholder groups and representatives are similar across other sport event settings in Canada.

Secondly, not only were there differences between stakeholder groups when identifying risk issues and strategies but this study’s findings also supported Wolfe and Putler’s (2002) research on stakeholder heterogeneity. Within stakeholder group differences were found in both the risk issues and risk strategies data analysis. Not only did this study reinforce the idea of stakeholder heterogeneity but it is also emphasized that there are different levels of heterogeneity within stakeholder groups. For example, there were more risk issue and strategy similarities between organizing committee and government levels than there were between the community members (i.e. sponsors and local residents). This resulted in varying levels of stakeholder heterogeneity.

Thirdly, this research on large-scale sporting events supports the need for all three approaches to stakeholder theory identified by Donaldson and Preston (1995), presented earlier in the chapter, and not just the normative core approach discussed by some as the only “saving grace” of stakeholder theory (cf. Berman, Wicks, Kotha, & Jones, 1999; Wood 1991). This study uses mainly a descriptive/empirical approach to stakeholder theory and this is critical because it helps researchers explore and understand the details of the actions performed by the organizing committee and its stakeholders, as well as the gaining of insights into a topic such as risk management in large-scale sporting events.

Upon reflection, the stakeholder groups used in this research were adequate for the purposes of exploring risk management issues and strategies in large-scale sporting events. If stakeholder theory was utilized in the future for examining other sporting events such as mega-events like the Olympic Games or the FIFA World Cup, then some
small changes to the stakeholder categories might be useful for that research. For example, mega-events have many different levels of sponsors (e.g., international, national, local, suppliers), therefore it would be beneficial to separate the sponsors from the community stakeholder group and have them as a group on their own. The separate sponsor stakeholder category would prove useful when there are two or more levels of sponsors because it would allow for a more in-depth examination into the sponsorship stakeholder group, which is important because of the many different roles they play. As well, although tourism was taken into consideration in this research from the local community and the municipal government representative perspectives, it may be useful in future research to have a separate tourism industry representative as a stakeholder, especially because of the impact that large-scale and mega events have on local tourism economies.

Contributions to the Field and Future Research

This research contributes to the field by further developing and experimenting with stakeholder theory since it is a relatively new method for examining large-scale sporting events. More precisely, the findings in this thesis help reinforce stakeholder theory’s effectiveness for exploring sporting events from multiple perspectives. The study further links stakeholder theory concepts (e.g., heterogeneity, stakeholder interests) with aspects of large-scale sporting events such as risk management in this case. Findings highlight the critical role risk management plays in the event planning and execution process. Researchers and sport event managers will benefit from the risk management concepts, definitions, and classification of issues and strategies identified in this study.
This information will provide guidance for organizing committees during event planning from a broad context and encourage them to adapt specifically to their event.

The study’s findings are mainly (analytically) generalizable to large-scale sporting events (cf. Yin, 2003). Their broadness allows for a flexibility in application, which makes them arguably generalizable to other types of events and organizations. However, this remains to be tested.

Now that the broad issue and strategy categories for risk management have been developed, it would be worthwhile to investigate each individual issue and strategy category in a more in-depth fashion to further understand each one. Another area requiring further exploration relates to the remainder of the 13 issues identified by Parent (2005). Her issues require a more in-depth examination in order to fully understand their impact on both the organizing committee and the stakeholders of an event.

Secondly, research on risk management issues and strategies needs to be completed by incorporating the various factors that may have a direct impact on the outcome of the research. Factors such as location (i.e. outside of Canada and North America), magnitude (i.e. small local events and mega events such as the Olympic Games), and multi-sport events (i.e. Canada Games, Pan American Games) need to be further addressed.

Thirdly, the issue of interdependence (Parent, 2005) and its association/impact on risk management issues and strategy selection provides an additional avenue for future research. An investigation of how risk issues move or change throughout the hierarchy of the organizing committee, from the international sport organization to the national organizing committee to the local/site organizing committee. Also, an investigation of
risk strategy use by organizing committee members and stakeholders over time would be worthy of additional research.

Finally, a study investigating the impacts of this study’s findings on managers of events could be enlightening. Do the terminology, concepts, and categorization change their approach to risk management? What else needs to be completed in order to facilitate the gaining of risk management knowledge by event managers?
References


APPENDIX A

Information Letter

I am requesting your participation in a research study to examine risk management issues and strategies in large-scale sporting events, in particular the 2006 World Figure Skating Championships and the FIFA U-20 World Cup Canada 2007. The purpose of this study is to delve deeper into these issues from the perspectives of both the organizing committee, as well as stakeholders impacted by and/or involved in the events. This will not only provide more information on risk management to organizing committees of these events but also to host destinations who are interested in bidding for an event of this magnitude. Because of your participation in one of these events, you have been selected to participate in this study. Due to your extensive knowledge and experience with the World Figure Skating Championships or FIFA U-20 World Cup Canada 2007, your participation is key in exploring the various dimensions of risk management within these events.

Should you agree to participate, I will personally contact you to set up a face-to-face interview, if possible, or a phone interview should the first option not be possible. The interview will last approximately 1 to 1 ½ hours, will be conducted in English and, with your permission, will be tape-recorded so that it may be transcribed and used for analysis. Otherwise, the researcher will simply take notes during the interview.

Confidentiality will be ensured by storing the raw and coded data under lock and key, which will only be accessed by the investigators directly involved in the project. The data will be stored for ten years following the publication of the research. Upon the expiration of the stated storage time, all files and information will be destroyed. Participation is voluntary and any questions you may have will be answered to the greatest fulfillment. It is possible to withdraw from the research study at any time for any reason.

If you opt to participate in this research study, please complete and return the consent form provided to University of Ottawa master's student Rebecca Leopkey, student investigator of this study. Ms. Leopkey can be contacted directly by either email at, telephone An option will be given to whether you would prefer to be quoted directly, anonymously (without names), or not quoted at all. The transcript of the interview will be provided to you for your review before it is used in the data analysis. If you would like to add, delete or modify the transcript in anyway the opportunity will be given at this time. If nothing is requested in regards to identity confidentiality, a broad title such as “federal government representative” or “delegation member” will be used.
Should you have any questions or concerns regarding this study, please feel free to contact Rebecca Leopkey, Student Investigator, at or Dr. Milena Parent, Supervisor, at 613-562-5800 x 2984. Any questions regarding the ethical concerns or conduct of this study should be addressed to the Protocol Officer for Ethics in Research, University or Ottawa, at 613-562-5841.

Sincerely,

Rebecca Leopkey, M.A. candidate  Dr. Milena Parent, PhD
Student Investigator  Supervisor
APPENDIX B

Letter of Information and Consent Form

Title of the study: Risk Management Impacts and Strategies in Large-Scale Sporting Events: A Stakeholder Perspective

Student investigator: Rebecca Leopkey, University of Ottawa (School of Human Kinetics, Faculty of Health Sciences), 125 University St., Ottawa, ON K1N 6N5, Tel:

Supervisor: Milena M. Parent, University of Ottawa (School of Human Kinetics, Faculty of Health Sciences), 125 University St., Ottawa, ON K1N 6N5, Tel: 613-562-5800 x 2984, Fax: 613-562-5149, Email: milena.parent@uottawa.ca.

Invitation to Participate: I have been invited to participate in the abovementioned research study conducted by University of Ottawa master's student Rebecca Leopkey, a study funded by Social Sciences and Humanities Research Council of Canada, Canada Graduate Scholarship, (766-2006-0668). I understand that this study will be conducted in English only.

Purpose of the Study: The purpose of the study is to further explore risk management in large-scale sporting events from the organizing committee's and stakeholders' perspectives, specifically: What are the risk management issues and strategies expressed by organizing committees and stakeholders of large-scale sporting events?

Participation: My participation in this research study will consist of participating in a semi-structured interview, either in person (face-to-face) or over the phone, lasting an hour to an hour and a half. I understand that I will be asked questions relating to the above purpose concentrating on three key areas: risk management issues, risk management strategies, and stakeholder impact. With my permission, the interview will be tape-recorded. Otherwise, the researcher will simply take notes during the interview.

Risks: My participation in this study will not subject me to any foreseeable risks.

Benefits: Participation in this study will help provide the researchers with key information on risk management from the perspectives of both the organizing committee and stakeholders of the event. This information will help narrow the gaps within the sport management literature.

Confidentiality: Assurance of my confidentiality has been guaranteed by the investigators. I understand that unless indicated otherwise no names will be used within the contents of the research study and that all personal information will be kept under
lock and key for a period of ten years post publication after which, the data will be destroyed. The content of the interviews will be used only for the purpose of identifying themes during a content analysis and highlighting issues raised by stakeholders.

Anonymity: Unless I indicate otherwise hereinbelow, my anonymity will be protected by using only a broad title such as “organizing committee member” or “government representative” when directly quoting information. Only the student investigator and her supervisor will have access to the raw data. The interviews will be transcribed and analyzed using qualitative data analysis software. The software program will facilitate the coding and retrieval of the data by highlighting the themes that appear in the interviews. My transcript will be provided to me for review so that I may ensure the accuracy of the details. At this time, I will be able to make any modifications deemed necessary. My interview details will be part of a larger pool of data and will be used in paper submissions to scientific journals.

Conservation of data: All data collected including archival material, interview tape recordings, transcripts, notes and data analysis will be secured by the student investigator in a locked filing cabinet in the supervisor’s University of Ottawa office which requires a key for access. Only the student investigator and supervisor will have access to the information.

Voluntary Participation: I fully understand that I am not obligated to participate in this study and, if I opt to participate, that I am free to refuse to answer particular questions or withdraw from the study at any time for any reason. If I chose to withdraw from the study, I may decide at that point whether or not the researcher may use the data collected prior to withdrawal from the study. Should I decide that I do not wish my data to be used in the study, I understand that it will be destroyed.

Acceptance:
I, ____________________________, agree to participate in the above research study conducted by Rebecca Leopkey (M.A. Candidate, School of Human Kinetics, Faculty of Health Sciences, University of Ottawa). I fully understand that by consenting to participate in the study my rights to withdraw at any point are not being affected.

Please initial one of the following options:
I consent to my interview data being quoted in publications (thesis, articles, etc.) using my identity/name _______(initials).
I consent to my interview data being quoted in publications (thesis, articles, etc.) but I wish for these quotes to remain anonymous______(initials).
I do not consent to be quoted at all in this research______(initials).

Should I have any questions or concerns regarding the study, the student investigator or supervisor of the study may be contacted. Ethical concerns regarding my participation in the study should be directed to the Protocol Officer for Ethics in Research, University of Ottawa, Tabaret Hall, 550 Cumberland Street, Room 159, Ottawa, ON K1N 6N5, tel.:613-562-5841, email: ethics@uottawa.ca.
Two copies of the consent form have been provided, one of which is mine to keep and the other is to be given to the student investigator.

Participant’s signature: Date:

Researcher’s signature: Date:
APPENDIX C

Interview Questions

Interview Guide – Organizing Committee

1. What is/was your role within the organizing committee?
2. What kind of issues do/did you use/consider in the planning and execution of the event?
   a. Do you think that these issues were/will be key in the success of the event?
3. What does risk management mean to you?
   a. Is/was risk management part of planning for your event?
   b. If so, what types of risk management issues will/did you encounter during the planning of the actual event?
      i. for government
      ii. for sponsors
      iii. for organizing committee (volunteer and staff)
      iv. for media
      v. for attendees
      vi. for delegations
      vii. for sport federations
      viii. for security
   c. What does/did your risk management/security budget look like?
   d. Do you think the money spent on risk management issues is/was worth while?
   e. Has your perception of risk management been influenced by the events of 9/11?
   f. Has 9/11 affected your organization’s risk management plan? How?
      i. pre vs. post event
4. What kind of strategies will/did you use/consider in the planning and execution of the event
   a. In terms of risk management
   b. Any other issues?
   c. Do you think that these strategies were/will be key to the success of the event?
5. Which organizations do you think are/were important for the hosting and preparation of the event?
   a. How are/were they connected to your organization?
   b. What impacts do/did they have on your decision making process if any?
   c. Are/were there any major stakeholder issues or conflicts during the lead up/execution of the event?
      i. Prompt for risk management issues
   d. Were/Are stakeholder concerns legitimate?
Interview Guide - Stakeholders

1. What is/was your role within your organization at the time of the event?
2. What is/was your role during the event?
3. What is your perception of risk management?
   a. Do/Did you feel that risk management impacted the planning and execution of the event?
   b. If so, how? Prompt for volunteers, facilities, public etc.
   c. Does/Did risk management have any implications for/on your organization’s needs?
   d. How important do you feel risk management is when planning an event?
4. Do/Did you have any strategies to deal with risk management concerns?
   a. Strategies for dealing with other issues?
5. What are/were the concerns or needs that you voice(d) to the organizing committee?
   a. Are/were they effectively addressed? How did the organizing committee address your needs?
   b. How much influence do you think you have/had over the organizing committee’s decision-making process?
6. Is there anything else you would like to add?