

4 Event Portfolios and Stakeholder Networks

Chapter outline

- The nature of inter-organisational relationships in the event sector;
- Stakeholder relationships through the lens of stakeholder theory and network theory;
- The interaction exchanges and collaboration patterns within event portfolio networks;
- The effects of strategic collaboration between different actors in a portfolio network;
- The foundations of portfolio planning and event policy network;
- The characteristics of institutional structures and parameters of portfolio governance.

Stakeholder theory and management are of great importance within the events sector (van Niekerk & Getz, 2019). The focus of this chapter is on stakeholder cooperation and management within an event portfolio. First, the nature of inter-organisational relationships in the event sector will be examined. Second, the effects of strategic collaboration between different actors in a portfolio network will be analysed. Last, the characteristics of institutional structures and specifics of portfolio governance will be introduced and discussed.

Inter-organisational relationships in the event sector

Implementation of an effective event policy and strategy requires collaboration, coordination and partnership among different stakeholders, including organising and supporting boards, public sector bodies, community groups and volunteers (Ziakas, 2014; Ziakas & Costa, 2011). Hence, the understanding and management of an array of stakeholders' interests and motives has been seen as a critical aspect of event portfolio development (Getz, 2013; Ziakas, 2014).

Any event has the capacity to bring different actors together and foster community networks through participation, involvement in planning of event-related operations and the decision-making process (Misener & Mason, 2006; Ziakas & Costa, 2011). Larson (2009a) envisages events as “creating an imaginary space where different actors project their imagination on how the event can fulfil their interests” (p. 393). Literature on events acknowledges the importance of building relationships among different interest groups during the organisational phase of every event project. Misener and Mason (2006) highlight the significance of an analysis of the nature of event-related organisational networks and relationships in different political and cultural contexts. Mapping and analysing stakeholder networks identifies the key players, their expectations and intentions. Understanding the connections in a stakeholder web may result in the development of sustainable strategies that not only meet the needs of different power groups but also utilise the full potential of these groups in event planning. At least two theoretical approaches can be used to analyse and evaluate event stakeholder relationships, namely, stakeholder theory and network theory.

Event stakeholders

Freeman (2010) defines stakeholders as “any group or individual who can affect or is affected by the achievement of the organisation’s objectives” (p. 46). Freeman’s model of stakeholder management includes such stages as evaluation of stakeholders, management of stakeholders in order to accomplish organisational objectives, and measurement of stakeholder satisfaction with the organisational outcomes (Freeman et al., 2010). The influence of stakeholder theory on event management is well-documented and widely discussed (e.g., Andersson & Getz, 2008; Buch, Milne, & Dickson, 2011; Getz, Andersson, & Larson, 2007; Merrilees, Getz, & O’Brien, 2005; Sciarelli & Tani, 2013). Different event stakeholders have different levels of power and influence and can be mapped, managed and evaluated according to a diversity of parameters. For example, Getz et al. (2007) emphasise such major stakeholder roles as: ‘facilitator’, individuals and organisations that provide an event with essential resources; ‘regulator’ whose approval and cooperation are required (usually government agencies); ‘allies and collaborators’, who provide intangible help and can act as marketing partners (professional associations and tourism agencies); ‘co-producers’ – independent organisations that participate in the organisational process; ‘the audience and the impacted’, the groups and individuals affected by an event.

O’Toole (2011) applied an alternative, project management approach and distinguished primary, secondary, internal and external event stakeholders. Primary stakeholders – attendees and sponsors – are very focused and interested in the success or otherwise of the event. Secondary stakeholders, for example, local police, are interested only if an event passes a threshold of importance. Internal stakeholders are directly involved in event planning and realisation of

an event project. This is an organising committee. External stakeholders have strong interest in an event, but are not directly involved in its planning and production. This group includes local residents, local business and suppliers.

In an event portfolio context, the analysis of stakeholder groups can also lead to the determination of the significance of particular stakeholders. This, in turn, can stimulate the establishment of new directions and development of specific stakeholder strategies. Mitchell, Agle and Wood (1997) suggest the concept of salience in corporate stakeholder analysis. Salience is a tri-dimensional construct, which includes such attributes of a stakeholder as their power to influence the organisation, legitimacy of relationship with the organisation and urgency of the stakeholder's claim on the organisation. Managers should take into account only those stakeholders that possess all three influential attributes.

Apart from identification of the key stakeholders who can influence the development of events and the whole portfolio of events in a destination, it is critically important to understand the motives of stakeholders and how those motives affect the inter-organisational relationships (Ziakas, 2014). Hede (2008) proposes a framework where the Triple Bottom Line (TBL) concept is incorporated into the stakeholder theory for the purpose of identifying key stakeholders' interests towards a particular event. The research shows that among fourteen identified event stakeholder groups only three (government, residents and community groups) appear to have interests in all three domains of the TBL, namely the economic, social and environment spheres. The TBL stakeholder framework proposed by Hede (2008) provides a basis for specifying and ranking the objectives of an event with regard to the main stakeholders' interests and priorities. This framework can be utilised by event and destination managers to develop strategies that simultaneously meet the needs of a number of stakeholders, rather than implement different strategies for each stakeholder.

Overall, stakeholder theory emphasises the relationships between an event or portfolio of events and its stakeholders, placing a particular event project in the centre of the investigation. However, the organisation of an event also depends on how different groups of stakeholders communicate and interact with each other within the actors' network. Network theory adds a new dimension to the stakeholder theory, taking into consideration complex and dynamic processes between participants of the network, which may change the structure or innovate an event network (Richards & Palmer, 2010).

Inter-organisational networks and collaboration

Stakeholder networks can operate as institutionalised units with formal structure and hierarchy, or as non-institutionalised units with invisible structure and non-specific objectives (Ziakas & Costa, 2010). Goal-directedness in a network is characterised by the establishment of an administrative entity that plans and