Event Stakeholders Instructor's Manual

2 Perspectives on Stakeholder Theory

This is the instructor's manual produced to accompany the book *Event Stakeholders: Theory and Methods for Events and Tourism*, by **Mathilda van Niekerk and** Donald Getz, 2019, published by Goodfellow Publishers Ltd.

This manual and the accompanying illustrations are provided by the authors for the private use of instructors using the book *Event Stakeholders*. All the PowerPoint slides from the book that are line drawings are included in these notes, as they are originals by the authors or have been adapted from the noted sources.

The figures from the text are available for downloading as a PowerPoint file to those instructors adopting the book. Additional graphic material is provided in this manual, but instructors should be aware that using photos and illustrations downloaded from the internet might violate copyright laws, so only use such material in the classroom. PowerPoint slides are also developed for the textbook and can be used by the instructors.
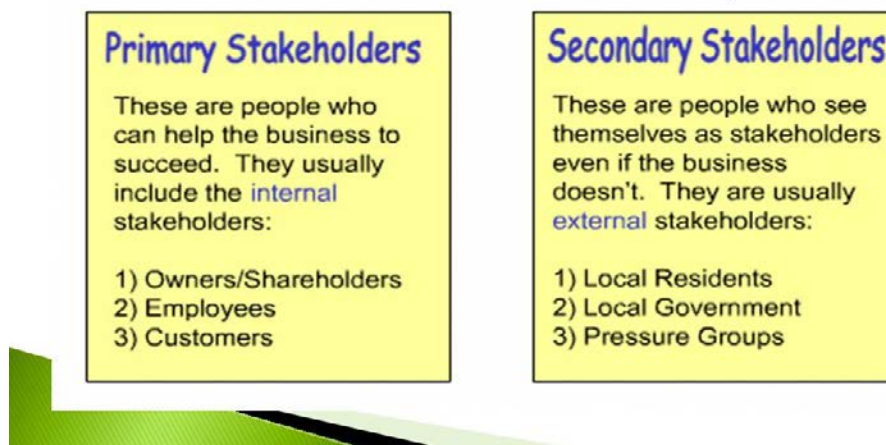
Lecture 3

2.1 Introduction

The first section of this chapter covers four perspectives on stakeholder theory, and each one is relevant - but it would be wrong to say they form an integrated theory. The 'normative' perspective is elaborated upon by reference to Clarkson's principles and corporate social responsibility (CSR), which we believe to be crucial for all events in the public and not-for-profit sectors, and increasingly important for adoption by for-profit companies. Thirdly, the chapter delves into classifications of stakeholders and the roles they play.

2.2 Key terms defined

A few key terms set the stage for classification, and you could move these forward to the first set. This diagram of *primary versus secondary stakeholders* is from a slide share taking a business perspective on stakeholders. See: http://slideplayer.com/slide/ 9559013/

2.3 Case study - Commonwealth Games, Gold Coast Australia

Karin Weber (Hong Kong Polytechnic University) & Xin Jin (Griffith University - Australia).

1.1.1   Possible Discussion Points:

♦   Was is a 'mega event'?

♦   What does that term mean in the context of stakeholder management?

♦   If residents are the primary stakeholder group, how were they impacted by this event?

♦   Do you think this kind of event really is good for a city or region? Consider long-term (or legacy) outcomes.

There are additional sources that can be consulted: https://gc2018.com. The sustainability material is very interesting: https://gc2018.com/about/sustainability. Gold Coast has published online a document describing in great detail the intended legacies of the Commonwealth Games. See: http://www.goldcoast.qld.gov.au/documents/bf/ gc2018-benefits.pdf.

Lecture 4

2.4 Four perspectives on Stakeholder Theory

The ensuing diagram is from a slide-share on power, politics and stakeholders: www.slideshare.net/azmatmengal/power-politics-and-stakeholder-management

This slide claims there are two categories: normative and instrumental, not the four we discuss in the book: *descriptive/empirical, instrumental, managerial and normative.*

Here is a downloaded slide that summarizes the Clarkson Principles, which leads us directly to *corporate social responsibility or CSR.*
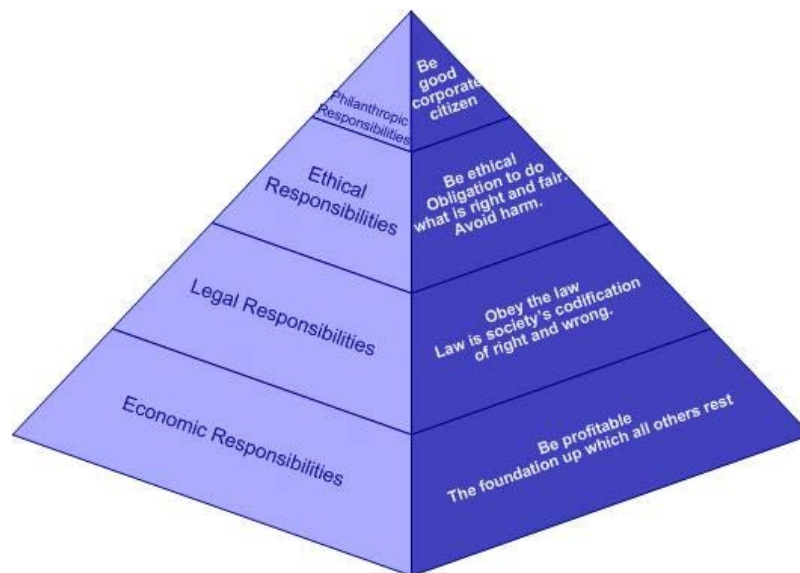
The Clarkson Principles of Stakeholder Management

1. **Acknowledge:** and monitor concerns of legitimate stakeholders.
2. **Listen** and communicate with stakeholders,
3. **Adopt** mechanisms sensitive to stakeholders' claims and requirements,
4. **Interdependence** and distribution: recognise the interdependence of interests, and distribute benefits accordingly.
5. **Cooperate** with other public and private entities – to reduce any negative impacts of the business, and to pay compensation,
6. **Avoid** activities that infringe rights of stakeholders, e.g. right to life, property, and clean environment.
7. **Transparency** of activities, reporting of actions taken to address stakeholders' requirements.

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2.5 Social responsibility for events and tourism

The first diagram below is the original pyramid model from Carroll, followed by our adaptation for the book (Figure 2.1). Our thinking is that all of these elements of responsibility are inherently necessary for *sustainable* events and tourism, and they are not hierarchical. This is especially true for events that claim to exist for 'service to the community' or for the 'pubic good'.
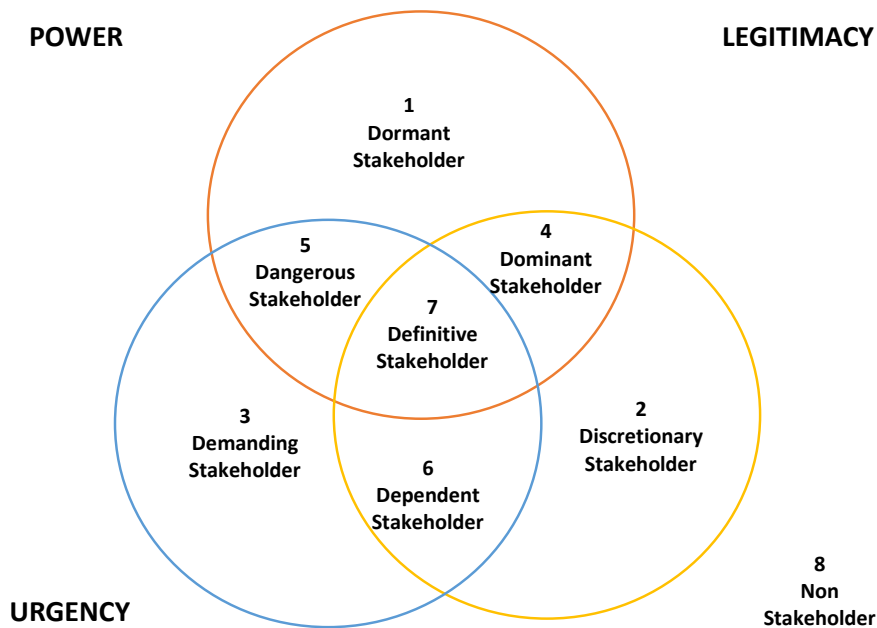

Carroll's CSR Pyramid

Figure 2.1: An Integrated Model of Social Responsibility for Events and Tourism. Source: Adapted from Carroll, A.B. (1993).

2.6 Typology and classification of stakeholders

It is essential for students to gain a full appreciation of *power, legitimacy and urgency* as they interact, in a dynamic manner, to influence the event or any focal organisation. Urgency in particular is constantly changing, whereas power tends to be related mostly to resources and regulations and is therefore somewhat more predictable. However, many events struggle to obtain and maintain resources, so that too is a dynamic stakeholder environment. The first diagram below is the original, from Mitchell et al. (1997), and then we have the simpler, adapted version from our book (Figure 2.2). This adaptation asks some key questions that event producers will certainly consider when examining their stakeholder environment.

POWER

LEGITIMACY

1
Dormant
Stakeholder

4
Dominant
Stakeholder

5
Dangerous
Stakeholder

7
Definitive
Stakeholder

3
Demanding
Stakeholder

6
Dependent
Stakeholder

2
Discretionary
Stakeholder

8
Non
Stakeholder

URGENCY

Stakeholder typology: One, two or three attributes present. Source: Mitchell et al. 1997

Power

Are we dependent upon them?
Can they harm us? (e.g., for resources
and regulatory approval)

Definitive
stakeholder

Is there an immediate need to
manage this relationship?
(e.g., we need their support
now! there is a serious
scheduling conflict; media
reports are negative)

They have a legitimate claim
to be consulted or involved in
decision making (e.g., residents
and others who will be impacted;
our allies and co-producers;
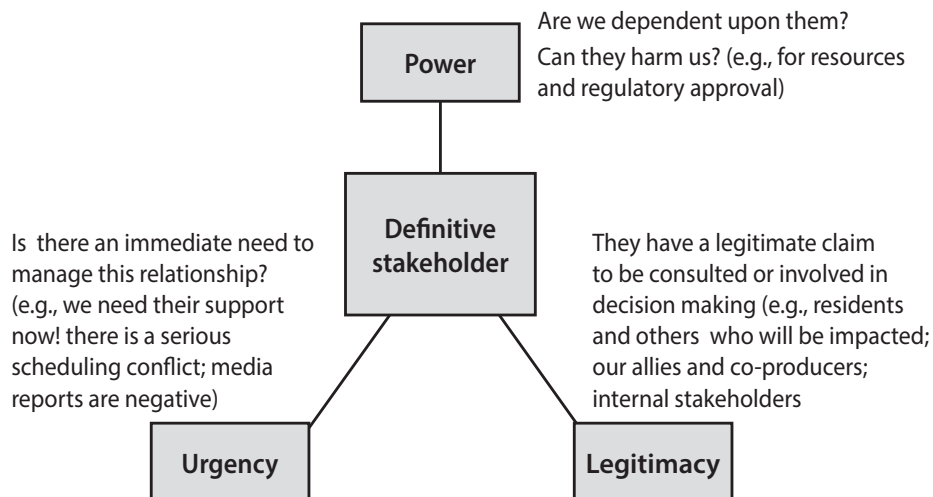internal stakeholders

Urgency

Legitimacy

Figure 2.2: Stakeholder typology: One, two or three attributes present. Source: Adapted from Mitchell et al. (1997)
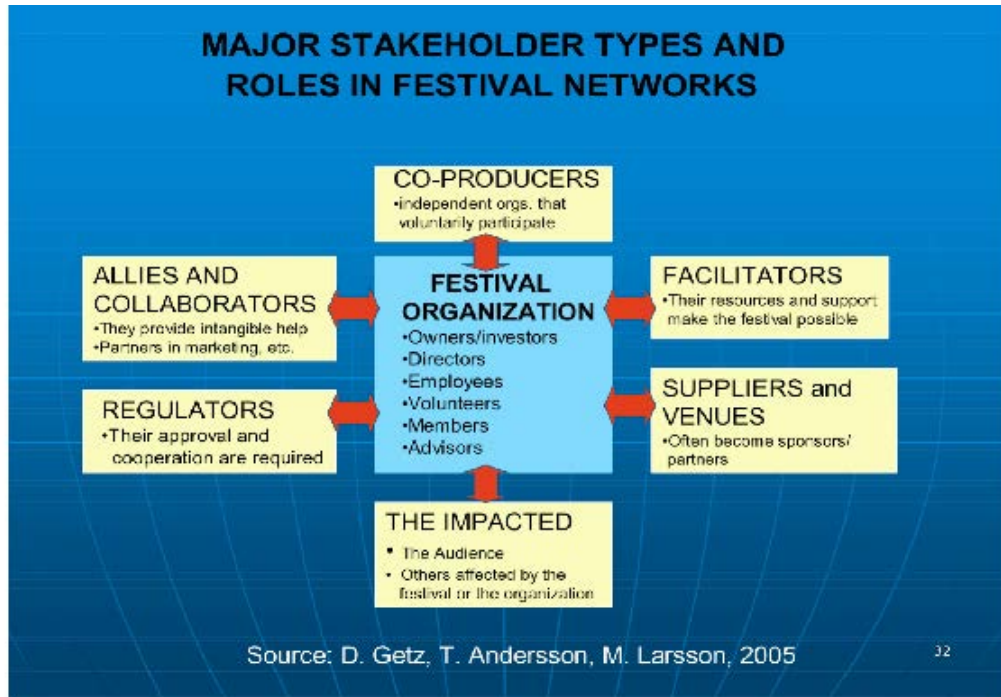
While 'urgency' is seldom mentioned in the literature, power and legitimacy are important topics - and they are themes running through this book. Pay attention to the different forms of power, and the ways in which legitimacy is both sought and earned.

The thirteen *propositions on legitimacy* are put forward from the cited article by Larson, Getz and Pastras (2015) to be applicable in the events field. Used this way, propositions are claims to knowledge, based on research and experience, and they can contribute to theory building. Each proposition can be reworded as a hypothesis to test through further research.

2.7 Identifying and classifying event and tourism stakeholders

Event owners, producers and managers undoubtedly have a sense of who their main stakeholders are, and the various roles played by them - but they should also be able to

analyse these relationships systematically and develop appropriate, adaptable strat egies. The simple identification and mapping of stakeholders, their roles, and the inter-relationships, is part of the descriptive/empirical perspective on stakeholder theory. There have been a number of related research projects concerning events, and the first diagram is from a published article that examined festivals in Canada and Sweden.

The second diagram (Figure 2.3) is the authors' adaptation, from this book. Of critical importance is recognition of the dynamic nature of stakeholder relationships (which these diagrams do not reveal), and the fact that some stakeholders hold multiple roles - especially local governments who often fund, promote and regulate at the same time, but through different agencies or departments. Also consider these additional considerations: internal versus external stakeholders, and the interactions of power, urgency and legitimacy.
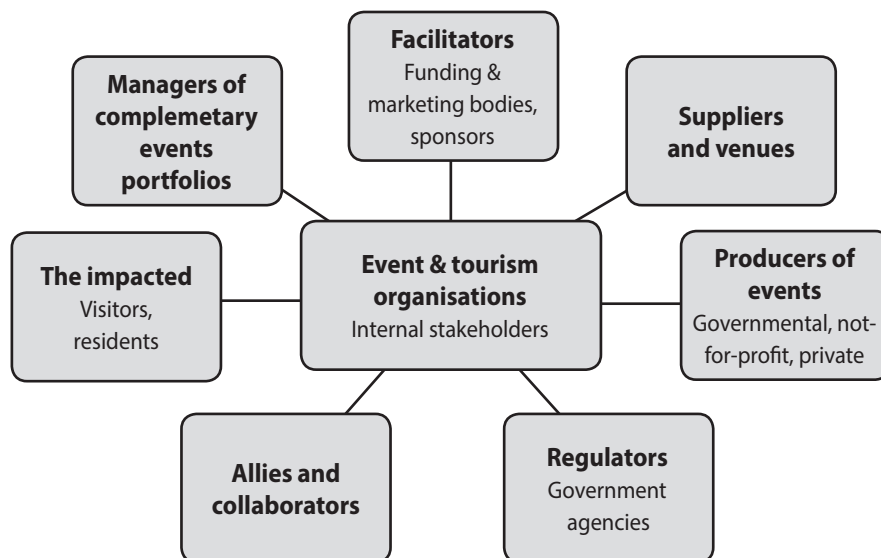

Figure 2.3: Stakeholders and their roles related to events and tourism. Source: adapted from Getz, D., Andersson, T. & Larson, M. (2007).

Additional readings and resources:

Richards, G., & Palmer, R. (2010). *Eventful Cities.* Oxford: Butterworth Heinemann.

You cannot have an 'eventful city' without stakeholder management. The topic is emphasized in this landmark book, as are networks. This is a must-read for event scholars and students.

Assessments

From the text: "Choose a planned event in your area (sports event, music festival, conference). Do a role-play exercise by taking on different stakeholders' roles (organizer, facilitator, supplier, regulator, visitor etc.) for each group member and discussing relationships between stakeholders. Each group should state why they see themselves as a stakeholder in the event and the reason for their involvement."

This could be a purely hypothetical exercise or linked to a real event - in which case involving managers from the event would be highly beneficial, both to set up the scenario and to evaluate student participation. As an assessment tool, the main point could be to examine the students' grasp of what each stakeholder position is - their needs and desires for the event. Written material could be required from each participating student, and each student could be supported by a research team of other students. Beyond that, the arguments employed and group dynamics in reaching a consensus could also be assessed.

There are plenty of websites offering advice on role playing in education, such as: https://serc.carleton.edu/introgeo/interactive/roleplay.html

Sample short-answer questions:

♦   Define these terms: primary and secondary stakeholders; active and passive stakeholders.

♦   Define 'social responsibility' and state its relationship to stakeholder theory.

♦   Define "salience'.

2.9.2 Sample long-answer or essay questions:

♦   Differentiate between the descriptive/empirical, instrumental, managerial, and normative perspectives on stakeholder theory.

   o   This is the main theme of the chapter, so a complete understanding is necessary. Four questions could be asked if detail is sought on each of them. The Carroll pyramid model and Clarkson Principles should be mentioned for the normative perspective (Figure 2.1 being relevant). It is important for students to grasp the idea that these 'perspectives' do not constitute a unified theory, and that there will always be different value perspectives taken on the question of how stakeholders should be identified and managed.

♦   Explain how 'salience' is determined by power, legitimacy, and urgency. Give an event-related example.

   o   Each term will have to be explained. Figure 2.2 could be included in the answer. As with other long-answer questions, students can refer to the case studies and research notes for really good answers.