

# Event Portfolio Management Instructor's Manual

## 4: Event Portfolios and Stakeholder Networks

This is the instructor's manual produced to accompany the book *Event Portfolio Management: Theory and Methods for Events and Tourism*, by Vladimir Antchak, Vassilios, Ziakas and Donald Getz, 2019, published by Goodfellow Publishers Ltd.

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## Lecture 8

This chapter discusses the critical role of stakeholder relationships and collaboration for portfolio management. You can introduce the topic by asking “what are stakeholders?” and then reflect on their importance for events. The most accepted definition of stakeholders is by Freeman (1984) as “the individual actors or groups who can affect or can be affected by a focal organisation’s actions and achievement of its objectives”. As for their importance in events, highlight the following:

- ◆ Event organisations have to establish and maintain relationships with multiple individuals and groups to achieve the goal of effectively hosting events
- ◆ Stakeholders may support or oppose the event organisation’s actions, driven by their own demands and expectations
- ◆ Event strategies and actions are influenced by stakeholders, so the effective leveraging of events must take them into account
- ◆ Event leveraging requires building relationships with a variety of stakeholders and coordinating actions towards optimising outcomes

### Inter-organisational relationships in the event sector

Point out the importance of inter-organisational relationships in events. Then turn the discussion to portfolio context and the role of stakeholders. Highlight that the implementation of an event portfolio strategy needs to garner local collaboration, synchronise policy agendas, solidify stakeholder networks, and increase identification among residents. It is thus essential to identify the interdependencies of events and leverage stakeholders’ reciprocal interactions and relationships in order to create thematic, operational and policy synergies. Such synergies hold opportunities for maximising benefits and minimising detriments. In this fashion, the long-term sustainability of the portfolio may be attained causing positive change in host communities and destinations and thereby contributing to their sustainable development.

### Event stakeholders

**Exercise:**

Select a destination’s event portfolio. Identify key stakeholders (group/categories) and their roles.

A: Typical stakeholders may include events paid staff and volunteers, local government, sponsors, business groups, sports, arts or cultural organisations, media, activist groups, etc. Their roles according to Getz et al. (2007) can be: facilitators, regulators, allies and collaborators, and co-producers.

## Typology of event stakeholders (Getz, Andersson, & Larson, 2007)

- ◆ Internal event stakeholders are those directly involved in event organisation, such as:
  - owners,
  - managers,
  - employees,
  - volunteers.
- ◆ External stakeholders include the following subgroups:
  - allies and collaborators (e.g., tourism agencies and professional associations),
  - regulators (e.g., local authorities and government agencies),
  - co-producers (other organisations participating in the event),
  - facilitators (non-participating resource providers),
  - suppliers and venues,
  - audience and the impacted (including the community).

### Useful reading:

Getz, D., Andersson, T. & Larson, M. (2007). Festival stakeholder roles: Concepts and case studies. *Event Management*, 10(2), 103-122.

Present and discuss the two following general theories:

### Stakeholder Theory (Freeman, 1984)

- ◆ Developed by Freeman emphasising the role of different actors in business performance and community image of companies (corporate social responsibility).
- ◆ Recognises that stakeholders need to be identified and grouped by a company so that strategies respond to their needs.
- ◆ Recognises that stakeholder relationships are not static but they are changing, and so they need to be managed over time.

### Theory of Stakeholder Identification and Salience (Mitchell, Angle & Wood, 1997)

- ◆ Stakeholder salience: the degree to which managers give priority to competing stakeholder claims.
- ◆ Proposed an analytical framework to identify stakeholders and to determine their importance based on their possession of three attributes – power, legitimacy and urgency.
- ◆ The combination of three attributes possessed by stakeholders can help to assess stakeholder importance (salience) and managers can prioritise them and deploy resources accordingly.
- ◆ Power: Social relationship in which one actor employs various approaches, including coercion, material incentives, indirect influences (values), to impose will over others.
- ◆ Legitimacy: A generalised perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions.

- ◆ Urgency: Involves both temporal (timing) and criticality (the importance of stakeholder claims).
- ◆ Stakeholder salience mapping based on the previous attributes identifies three general categories: definitive, expectant, latent.

Stakeholder Category		Power	Legitimacy	Urgency
Definitive		x	x	x
Expectant	Dominant	x	x	
	Dependent		x	x
	Dangerous	x		x
Latent	Dormant	x		
	Discretionary		x	
	Demanding			x
Non-stakeholder				

- 1 **Definitive** stakeholders – possessing all three attributes; the most critical in influencing managerial decision-making; it is top priority to consider their interests
- 2 **Expectant** stakeholders – possessing two attributes; three classes:
  - i) Dominant stakeholders (power and legitimacy)
  - ii) Dependent stakeholders (urgency and legitimacy)
  - iii) Dangerous stakeholders (power and urgency)
- 3 **Latent** stakeholders – possessing only one attribute; can be divided into:
  - i) Dormant (power)
  - ii) Discretionary (legitimacy)
  - iii) Demanding (urgency)

### Useful reading:

Mitchell, R., Agle, B. & Wood, D. (1997). Toward a theory of stakeholder identification and salience: Defining the principle of who and what really counts. *Academy of Management Review*, 22, 853-886.

### Exercise:

Apply Mitchell et al.'s framework to the context of an event portfolio of your choice. Map the importance (salience) of stakeholders in the portfolio using the attributes and categories of stakeholders. Identify those stakeholders who have common interests across the TBL.

### Useful reading:

Hede, A. (2008). Managing special events in the new era of the Triple Bottom Line. *Event Management*, 11(1/2), 13-22.

## Why is stakeholder analysis important for event portfolios?

- ◆ A stakeholder analysis can help identify:
  - The interests of all stakeholders who may affect or be affected by the event portfolio
  - Potential conflicts or risks that could jeopardise the portfolio
  - Opportunities and relationships that can be built on during event implementations
  - Groups that should be encouraged to participate in different stages of the portfolio
  - Appropriate strategies and approaches for stakeholder engagement
  - Ways to reduce negative impacts on vulnerable and disadvantaged groups.

### Steps in stakeholder analysis

- ◆ Identify stakeholders.
- ◆ Group stakeholders.
- ◆ Prioritise stakeholders.
- ◆ Based on a stakeholder analysis, strategies can be formulated for:
  - Engaging stakeholders – mobilising stakeholders and securing support
  - Managing stakeholders – fostering collaboration, resolving conflict and coordinating activities
  - Delivering benefits to stakeholders according to their input – distribution mechanism
  - Minimising negative impacts – mitigation measures.

### Participation of stakeholders in event portfolio management

- ◆ Participation is a key to – but not a guarantee of – success.
- ◆ Stakeholder participation:
  - Gives people some say over how events or leveraging strategies of the portfolio may affect their lives
  - Is essential for sustainability
  - Generates a sense of ownership if initiated early in the portfolio planning or bidding process of major events
  - Provides opportunities for learning for both the portfolio managers and stakeholders themselves
  - Builds capacity and enhances responsibility.

**Exercise:**

City X is planning to develop an event portfolio consisting of sport, cultural and business events. To support the portfolio, they consider constructing new sport facilities. Their plan involves creating a portfolio-zone where all event and leisure facilities will be concentrated. This zone is envisioned to be a catalyst for the development of a specified area in city X, which will attract substantial economic activity. Undertake a stakeholder analysis answering the following:

- Identify all stakeholders
- Group stakeholders into Primary and Secondary
- Prioritise stakeholders in the following four categories:

(a) Key players – (b) Keep satisfied – (c) Keep informed – (d) Minimal effort

A: Think about the winners or losers of this portfolio-zone. Give a + if you think that your identified stakeholders and specific businesses are likely to be affected positively, by the portfolio activities, facilities and events, and give a – if you think that it is likely to be affected negatively.

## Lecture 9: Inter-organisational networks and collaboration

The effectiveness of event portfolios to obtain a variety of benefits along with their operational efficiency and cultivation of stakeholder relationships are critical aspects for determining their value and potential contribution to sustainable development policies of host communities and destinations. This way the legitimization of event portfolios as a means for sustainable development and their institutional embeddedness may be increased, supported ideally, by bottom-up planning approaches and a community network of committed stakeholders.

Social network theory is used to frame the interactions of stakeholders within event portfolios. This perspective resulted in the conceptualisation of an events network as:

The non-institutionalized array of organizations that make decisions and take actions regarding planning and implementation of events in a host community as well as tend to engage in relationships that facilitate their goals. To the extent that collaboration patterns among the participating organizations are characterized by reciprocity and trust, synergies among events can be developed and strengthened within the portfolio in order to maximize the benefits attained for the host community. (Ziakas & Costa, 2010)

### Useful reading:

Ziakas, V. & Costa, C.A. (2010). Explicating inter-organizational linkages of a host community's events network. *International Journal of Event and Festival Management*, 1(2), 132-147.

According to the framework by Ziakas and Costa (2010), an events network can be studied as a measurable mechanism to assess community capacity in event portfolio management and to explicate the collaboration patterns that facilitate the joint use of an integrated set of resources. There are four types of linkages among network actors that enable inter-organisational collaboration within a portfolio's events network:

- (1) Information exchange;
- (2) Resource-sharing;
- (3) Joint initiatives;
- (4) Joint problem-solving.

This portfolio-level network perspective can be employed to examine the strength of relationships among event-related organisations based on their level of communication and exchange of information, sharing of resources, common programs or activities, and assistance. Also, from this perspective an assessment can determine the extent to which collaboration within the events network is consistent and evaluate the community's capacity to capitalise on its event portfolio via a collaborative events network.

**Discussion:**

Why undertake inter-organisational networks and social network analysis in event portfolio management?

A: It is important for event portfolio managers to foster collaborating efforts. In so doing, they should be able to recognise how network relationships are functioning and evolving when hosting events. Such an understanding can enhance a host community's capacity to:

- combine diverse knowledge, skills and integrated sets of resources in the portfolio management;
- influence decision-makers and opinion leaders towards events;
- be responsive to community needs;
- arrive at consensus across community divisions;
- organise collective tasks;
- coordinate services efficiently.

**Exercise:**

Select a destination's event portfolio. Assess the strength of relationships among organisations involved in planning and implementing the portfolio – based on communication, exchange of resources, and assistance. Identify who are the most important actors within the events network. Is collaboration within the events network consistent across all types of links?

A: First, identify stakeholders that form the portfolio network (network bounding). Second, map interactions using connecting lines with arrows to show direction of exchanges (point out if they are mutual). Third, mark the types of connections between stakeholders: Shared Information, Shared Resources, Help Sent, Help Received. Last, analyse the number of existing and missing connections.

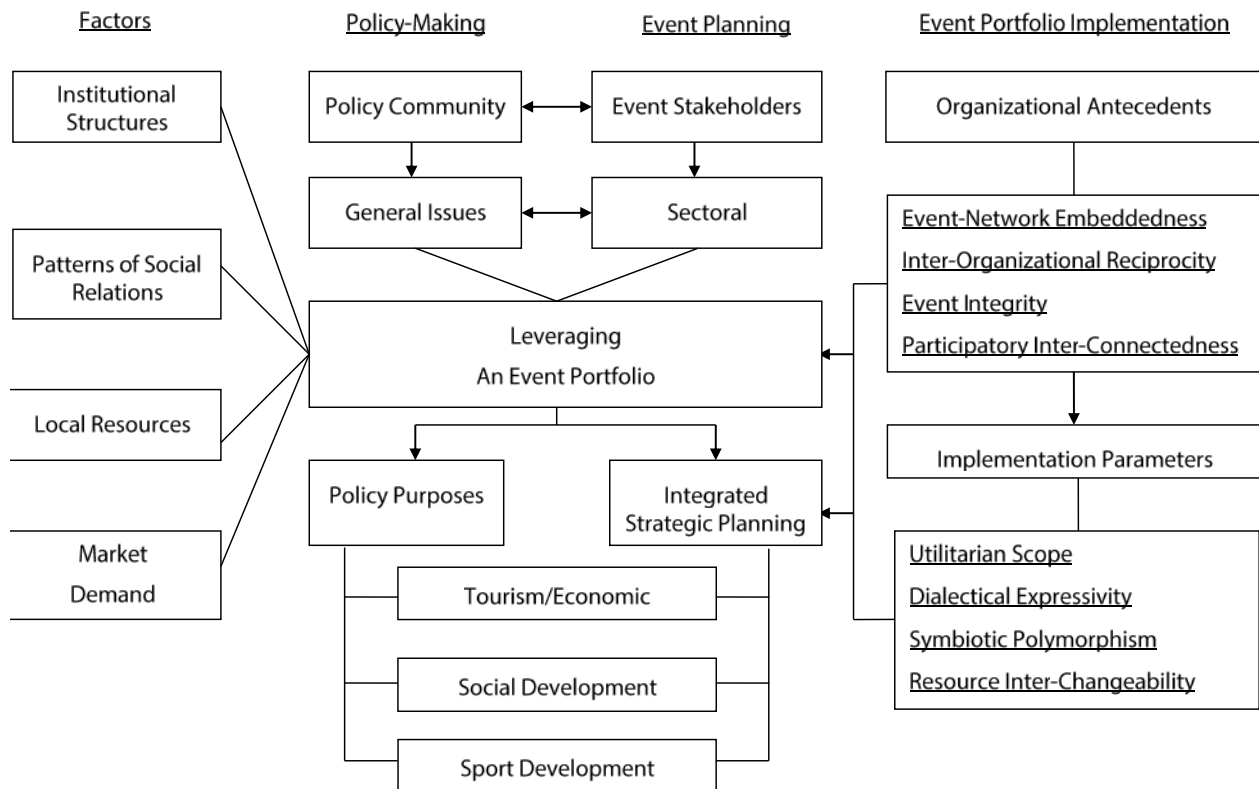
**Institutional structures and portfolio governance**

Recap that the institutional environment affects the way stakeholders interact and collaborate in the delivery, governance and leveraging of a portfolio. In turn, portfolios need to actually generate the expected outcomes and contribute to the economic, socio-cultural and environmental development of their host communities. Hence, the potential of event portfolios for multiplicity in terms of achieving a range of benefits needs to be systematically monitored and evaluated through a triple-bottom-line sustainability framework, whereas stakeholder engagement and participation needs to be managed through a network perspective.

**Event portfolio planning, policymaking and implementation**

At this point, reiterate that the inherent challenges to portfolio development need to be considered, and the ability of cities to tackle them must be assessed. For instance, the prevalence of hegemonic interests by elite stakeholder groups through the interference of politics and over-commercialisation can eventually compromise the authenticity and value of portfolios. In addressing these issues, a comprehensive planning framework is useful. Figure 9 presents such a framework.





**Figure 9: Event portfolio planning and leveraging.** Source: Ziakas, V. (2014). Planning and leveraging event portfolios: Towards a holistic theory. *Journal of Hospitality Marketing and Management*, **23**(3), 327-356.

This framework integrates into a coherent whole the key functional, societal and policy aspects of event portfolios, thereby explaining how their interrelationships can shape the planning, implementation and leveraging of portfolios. To shed light on the institutional and policy grounds that an events network operates, the framework stipulates that the generic policymaking is at the interface with event planning. It also pinpoints a set of factors, which affect event portfolio planning. These include the institutional structures, patterns of social relations, local resources, and market demand. In operational terms, the framework identifies the major constituents that impact on event portfolio implementation, encompassing a set of organisational antecedents and a set of implementation parameters.

### Organizational antecedents

**Event-network embeddedness:** An event policy network must have strong, enduring relationships between event stakeholders and the policy universe. Event-network embeddedness refers to either the overlap between social and economic linkages that influence event implementations and leveraging strategies or the nesting of event-related linkages within other social relationships. In other words, this means practically that event organisations should be embedded into the sociocultural, political, and economic structures of a host community so that they are given the power and autonomy to act on problems, distribute funds, and design as well as implement event policy programmes.

**Inter-organizational reciprocity:** An embedded events network can achieve the deployment and common utilisation of resources, facilities, skills, knowledge, and human labour for a portfolio. In so doing, different organisations should help each other and have

access to information and resources in the hosting of events. The portfolio can become a space for the generation of social capital by developing and enhancing relationships of trust, mutual recognition and obligation as well as assistance among organisations. Inter-organizational linkages should promote collaboration and reciprocity that supports joint decision-making and problem-solving in event implementations and cross-leveraging strategies.

**Event integrity:** An event portfolio can be viewed as a platform of assorted products that add social or economic value to each other. The integrity of an event portfolio refers to the consistency of all events expressing authentic community values and responding to participants' needs. Such a consistency should be maintained in the planning, design and implementation of the different events by setting the same quality standards. An internal dimension means that events should seek to have consistent cultural fit with the host community. An external dimension of event integrity means that event implementations must consistently seek to meet the expectations of participants.

**Participatory inter-connectedness:** A portfolio should provide opportunities for event participants and volunteers to experience esoteric development and to (re)construct a shared meaning through their active and reflexive participatory interconnectedness with each other in the events' activities. This may foster the social value of events by enhancing civic engagement.

### **Implementation parameters**

**Utilitarian scope:** Refers to the common sense of purpose that guides the formulation of event leveraging strategies and legitimises them to the public discourse. A utilitarian scope is the unifying factor that puts an event policy network to work by bringing event stakeholders together from different policy communities to cross-leverage events for a common purpose.

**Dialectical expressivity:** Refers to metaphoric discourse that is enabled through the array of events. This allows a community to express itself symbolically through the variety of events appealing to audiences with different interests. The dialectical expressivity conveys a set of meta-messages that frame a metaphoric dialogue across a series of events

**Symbiotic polymorphism:** Refers to the sustainable multiformity of events in the portfolio that links different event elements, themes, and metaphoric meanings into a coherent whole, hence, representing and connecting the respective functional domains.

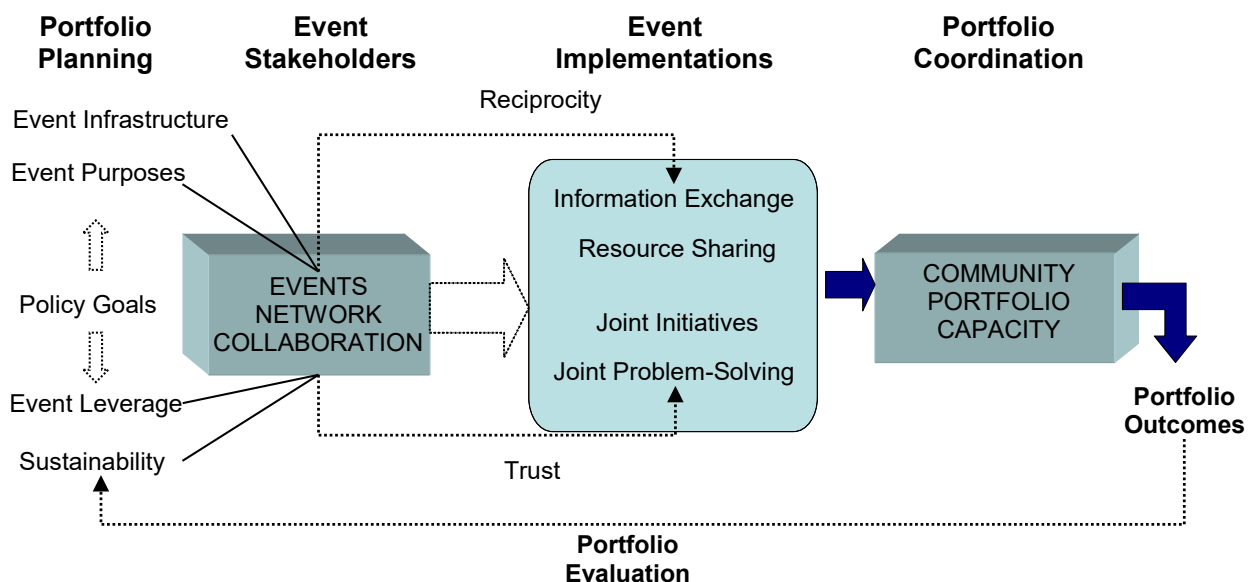
**Resource inter-changeability:** Refers to the capacity of using the same resources for different events within the portfolio.

### **Event portfolios, community capacity-building and sustainability**

Highlight that the sustainability of event portfolios concerns primarily their longevity either as informal or institutionalised entities and their potential to meet the triple-bottom-line (i.e. economic, social and economic dimensions of sustainable development) through the array of different events. Hence, event portfolios are multidimensional entities, including a variety of goals, meanings, attractions, amenities and markets that need to be synergised without compromising the authenticity, inclusiveness and equal distribution of benefits to all stakeholders. Since event portfolios are multi-purpose developmental tools, the extent to which they meet the triple-bottom-line and achieve longevity

of portfolio benefits needs to be determined. This requires the establishment of portfolio evaluation and monitoring mechanisms. Evaluation is covered in Chapter 6.

Learners should grasp the processes for community capacity-building in event portfolio planning and management. The framework in Figure 10 illustrates these processes. Portfolio planning has at its core, the community policy goals that determine event purposes, make use of event infrastructure as an integrated set of resources, formulate leveraging actions and establish operational mechanisms to achieve sustainability. Event stakeholder interactions and exchanges form a collaborative network working together in event implementations across the portfolio. Effective collaboration can be strengthened by enhancing norms of reciprocity and trust in information exchange, resource-sharing, joint initiatives and joint problem-solving. Such strong stakeholder ties can enable portfolio coordination and build community capacity in portfolio management and leveraging, thereby achieving intended outcomes. To optimise and sustain these outcomes, holistic portfolio evaluation should be undertaken to inform and adapt portfolio planning, and hence, facilitate its sustainable evolution.



**Figure 10: Events network and community portfolio capacity.** Source: Ziakas, V. (2019). Issues, patterns and strategies in the development of event portfolios: Configuring models, design and policy. *Journal of Policy Research in Tourism, Leisure and Events*, **11**(1), 121-158.

### Useful readings:

Dredge, D. & Whitford, M. (2011). Event tourism governance and the public sphere. *Journal of Sustainable Tourism*, **19**(4/5), 479-499.

Ziakas, V. (2018). Issues, patterns and strategies in the development of event portfolios: Configuring models, design and policy. *Journal of Policy Research in Tourism, Leisure and Events*, **11**(1), 121-158.

### Exercise:

Select four event portfolios. Compare their institutional structures and supporting events networks. Assess the extent to which they enable collaboration identifying planning parameters that affect inter-organisational relationships.

## Short answer questions

**Q:** What is the nature of inter-organisational relationships in the event sector?

**A:** 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. 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.

**Q:** How can we analyse and evaluate event stakeholder relationships through the lens of stakeholder theory and network theory?

**A:** Stakeholder analysis and mapping of stakeholders' salience can be used. Also, we can delineate an events network identifying stakeholders and evaluating the strength of their linkages.

**Q:** What are the interaction exchanges and collaboration patterns within event portfolio networks?

**A:** Information exchange; resource-sharing; joint initiatives; joint problem-solving.

**Q:** What are the effects of strategic collaboration between different actors in a portfolio network?

**A:** Effective collaboration can be strengthened by enhancing norms of reciprocity and trust. On the grounds that event organisations are embedded into the social structures and cooperate effectively with other non-event organisations, a host community can enable the deployment and common utilisation of resources, facilities, skills, knowledge and human labour in managing its event portfolio. In other words, different organisations should exchange information and resources in the hosting of events. The event portfolio can become a space for the generation of social capital by developing and enhancing relationships of trust, mutual recognition and obligation as well as assistance among organisations. To this end, inter-organisational linkages should promote collaboration and reciprocity that supports joint decision-making and problem-solving in event implementations and cross-leveraging strategies.

**Q:** What are the foundations of portfolio planning and event policy network?

**A:** Planning for event portfolios depends on the development of a comprehensive policy that defines their underlying purpose, design logics and strategic priorities. It also sets the ground for the formulation and implementation of leveraging and cross-leveraging strategies. The policy network can be understood as the linking process, the outcome of exchanges within a policy community. Within this context, the event policy network should view an event portfolio as a strategic opportunity that can promote joint tactical planning and enhance mutual relationships in order to accomplish multiple policy purposes. The integrated strategic planning for leveraging an event portfolio can set common policy purposes for economic, tourism, social and sport development.

**Q:** What are the characteristics of institutional structures and parameters of portfolio governance?

**A:** An event portfolio should be embedded into the socio-cultural, political and economic structures of the host community. The interaction effects of formal and informal institutional structures and logics should be taken into account to develop a comprehensive understanding of their role and evaluate which systems or structures are the most appropriate (and under what conditions). The components of effective institutional structures include: (1) Employing participatory planning that encourages the involvement and participation of event stakeholders in the portfolio planning process and empowers them in decision-making; (2) Establishing an environment of dialogue and mutual understanding that fosters common values and goals; (3) Enhancing collaboration through sharing of information and resources; (4) Placing conflict resolution mechanisms; and (5) Creating a system to ensure accountability and equal distribution of events; impacts and benefits. Portfolio governance parameters include: coordinating entity, funding criteria for events, ownership of events, and a discursive public sphere.

### Essay-style questions

**Q:** Discuss the importance and uses of stakeholder theory and social network theory in assessing inter-organisational relationships of event portfolios.

**A:** Review the application of stakeholder analysis, stakeholder mapping and events networks. Highlight what they enable portfolio managers to understand and do.

**Q:** Outline what an events network is and the types of interaction exchanges that take place within portfolios. Discuss how collaboration within the network can be enhanced to effectively and efficiently support portfolio management.

**A:** Provide the definition of an events network and explain the interaction exchanges (i.e. information exchange; resource-sharing; joint initiatives; joint problem-solving). Explain that effective collaboration can be strengthened by enhancing norms of reciprocity and trust. Highlight that the event portfolio can become a space for the generation of social capital by developing and enhancing relationships of trust, mutual recognition and obligation as well as assistance among organisations. Illustrate that inter-organisational linkages should promote collaboration and reciprocity that supports joint decision-making and problem-solving in event implementations and cross-leveraging strategies.

**Q:** Identify and explain the qualities of planning and governance that can enable the development of a comprehensive policy for event portfolios.

**A:** Discuss the characteristics of institutional structures and parameters of portfolio governance by

- 1 Explaining how the concepts of policy universe, policy community and event policy network inform portfolio planning and governance;
- 2 Considering the role of organisational antecedents and implementation parameters;
- 3 Identifying as essential qualities the following: participatory planning, discursive public sphere, sharing of information and resources, conflict resolution mechanisms, accountability and distribution system of events, coordinating entity, funding criteria for events, and ownership of events.