

EVALUATION OF OPERATIONAL RISK SOURCES IN SPECIAL EVENTS AND MORE SPECIFIC ATHLETIC COMPETITIONS

Preliminary communication

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Abstract

The article presents an analysis of some of the main sources of organizational risk in the special events and athletic events in particular. The experience of event managers, national athletic federations representatives, coaches, referees, managers and track and field athletes is surveyed. The aim of the study is to analyze and reveal main tendencies in the work and cooperation with the stakeholders in managing sport events, particularly athletic events. The main sources of organizational risk, as evaluated by the different categories of inquired subjects, are revealed. The aim of the study is to analyze and reveal main tendencies in the work and cooperation with the stakeholders in managing sport events, particularly athletic events. The cooperation with subcontractors is generally evaluated as high risk, which suggests the need for special care and implementation of mechanisms to prevent or control the losses, that can arise when the delegated tasks are not carried out.

Keywords: event management, coaches, referees, field athletes is survey, questionnaires, interview

INTRODUCTION

The origin of the term „risk“ is tracked in the middle French and Italian, and is related to the verb “rischiare” - “to run into danger”. It is considered that the word itself has an Arab origin and is first used in its contemporary English form in the middle of 17th century, with the meaning of “a possibility for a loss, injury or other misfortune” (Risk, (2015).

As a verb the term is used in the notion of conscious or unconscious exposure to a possible negative and unwanted effects. The ISO definition of risk is “effect of uncertainty on objectives” (Monahan, G., (2008). The term Risk can also be defined as the probability a given factor or a multitude of factors to affect on the development and the result of a certain process or phenomenon. Main indexes of risk are the probability to actually happen and the magnitude of the effect that it causes (fig. 1).



Fig. 1. Manifestation of risk (by Monahan, 2008)

Often in the literature the sport events are described as short term projects. In the monograph „Project Management in Sport“, Draganov (2015) explains that the programs and the executed projects are one of the main mechanisms for establishing the policies of the corresponding organizations.

The organizations that stage sport events examine the risks according to their presentation, as common and specific. Common risks are those, that can arise in any sporting

event, while specific risks are caused by event-specific conditions.

In the sport for all, the sporting events include people that often don't have the necessary preparation and respectively a more careful attention is required in identifying the risk that may manifest. Ilieva (2015) presents a method for post-event evaluation. For the most part the presented indexes can provide a good evaluation if a detailed preliminary risk assessment is carried out.

The operational risks are related to the production. They are a consequence of the structure, the human resources and the processes in the organization. Those are human errors, production errors, risks about security and safety, loss of key personnel, loss of distributors, etc. Even if this group of risk looks like dependent on internal factors, there are also external ones, such as subcontractors, partners, labor laws, cultural peculiarities, competition, etc. They can be common or specific for a given event.

Dimitrov (2013) analyses risks of illegal gambling in sport as well as some legal aspects to counteract it. In another article the author (Dimitrov, 2015) points out the risk of the antisocial behavior of viewers.

There are many different methods in the literature to manage risks in an organization. Some of them present three main stages: analysis of risk factors, evaluation of the possible reactions and establishing action plans for diminishing the effect (Booty, 2009 & Raftery, 1996).

It is important to reveal and identify the reasons and the conditions of risks, which can cause the negative events. Different preconditions can hide behind a risk and only their correct identification allows for planning precautions to avoid or restrict the risk.

After their identification, the risks should be submitted to a qualitative analysis for their probability of occurring and severity of their effect on the event management. After the qualitative analysis, a more in-depth quantitative analysis should be performed, in order to give real measurable

indexes to the probability and severity of the identified risks. Some of the authors present a middle step, that they call a “half-quantitative” analysis, in which a ordinate scales are used to present risks in a concrete groups (Cooper, Grey, Raymond, Walker, 2005).

METHODS

The hypothesis of the current study is that revealing the peculiarities of the operational risks, arising from the different stakeholders, engaged in the management of special events, especially athletic events, will bring the attention to help in the identification and evaluation of risks and will aid in their seamless management.

The aim of the study is to analyze and reveal main tendencies in the work and cooperation with the stakeholders in managing sport events, particularly athletic events.

For the purpose of the study the methods of inquiry were used – printed and electronic questionnaires, and interview. Subjects of the study were:

1. 97 professional managers of special events representing 27 countries (table 1). The subjects were divided in groups depending on the nominal gross domestic product per capita (GDPn) of the country that they are operating in. There were three groups, where the group with higher GDPn than Bulgaria includes 34 managers, the group with lower GDPn than Bulgaria – 35 and the rest 27 are managers from Bulgaria.

Table 1. Countries of operation for the inquired general events managers

Countries with lower GDPn	Countries with higher GDPn
China	Austria
Egypt	Belgium
Ghana	Canada
India	Croatia
Indonesia	France
Jordan	Germany
Nepal	Russia
Pakistan	South Africa
Serbia	Switzerland
Sri Lanka	Netherlands
Tanzania	Turkey
Uganda	UAE
	Great Britain
	USA

2. With a similar questionnaire the opinion of 16 national athletic federations were surveyed, in that list: USA, Iceland, Germany, Lithuania, Portugal, Seychelles, Palau, St. Kitts and Nevis, Bosnia and Herzegovina, Namibia, Belarus, Cote d'Ivoir, Montserat, Malawi, Albania and Bulgaria.

3. The third group surveyed were 20 Bulgarian athletic functionaries, including managers, coaches, referees and athletes. There were a number of subject, that would state they are filling more than one position at a time.

RESULTS

First is analyzed the evaluation of the managers of general special events (fig. 2). The inquired had to give a mark in the 1 to 5 range, where 1 is the absence of risk and 5 is the presence of high risk in the cooperation with the corresponding group.

In the work of the staff, the highest risk evaluation is given by the Bulgarian evaluators – 3,37. while in the coun-

tries with higher GDPn, as well as countries with lower present significantly higher trust in their employees.

In the meantime this mark is the lowest for all groups, given by Bulgarian managers, for three out of five factors – Staff, Government, Clients. The cooperation with sponsors are evaluated higher for Bulgaria (average mark of 3,69), while those with subcontractors is the highest for all groups stakeholders given by all groups subjects – 4,15.

It must be said, that the countries with higher GDPn also evaluate as the most critical the cooperation with subcontractors, while those with lower GDPn they are sharing the first place with the clients.

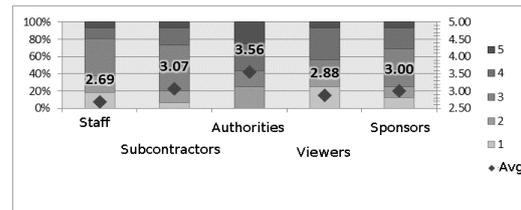


Fig. 2. Evaluating risk in the cooperation with the different groups engaged in the management of events (by general special event managers)

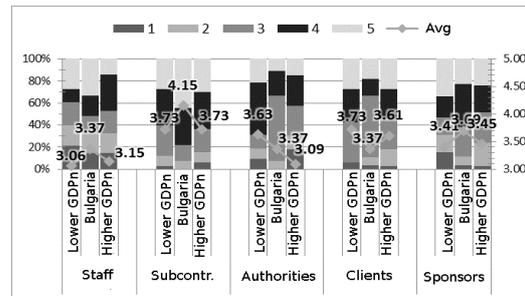


Fig. 3. Evaluating risk in the cooperation with the different groups engaged in the management of events (by representative of national athletic federations)

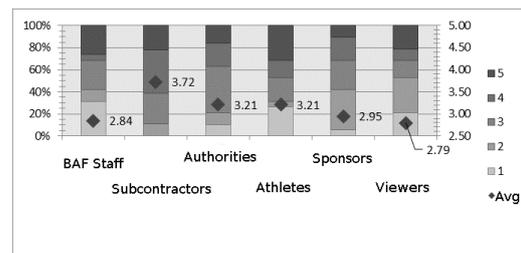


Fig. 4. Evaluating risk in the cooperation with the different groups engaged in the management of events (by athletic functionaries)

There is an obvious correlation that is present between the risk in working with authorities (government) and the GDPn of the country. The lowest mark of this factor is by the countries with higher GDPn – 3,09. This factor is also with the lowest mark for the countries with higher GDPn. The countries with lower GDPn than Bulgaria give the highest mark for this stakeholder group – 3,63. The Bulgarian managers set the mark in between with 3,37, which is in between the other two groups.

In open questions attached to the study the managers of general special events give the opinion that the most common mistakes are poor planning of the event, bad organization and not meeting the set deadlines by staff and subcontractors.

Accepting forced decisions by the outside is also pointed out as an often occurring problem, as well as the implementation of generic solutions without taking in consideration the specific situation.

The evaluation of the risk in different groups by the representatives of the national athletic federations is presented on fig. 3.

According to them the biggest risk is coming from the government and local authorities, marked at 3,56 average, while the general events managers this was one of the lowest risk bearing factors.

The lowest risk the representatives see in the work of their own team (2,69) and the viewers (2,88).

In the open questions on the questionnaire the representatives point out as main problems in athletic events management the poor planning and late preparation for events. Also the poor delegation of tasks and insufficient control are mentioned. The poorer countries would also state the insufficient qualified staff, facilities and equipment provision.

Evaluating the risk from the groups by the athletic functionaries, the biggest concern is the work with subcontractors (fig. 4). The same factor was leading in risk for the evaluation of the general event managers, and in the national athletic federations representatives it was on second place, after authorities.

Second for the functionaries are the cooperation with authorities and the competitors themselves, and lowest risk they see in the viewers on the stadium. Probably those are related to the nature of the athletic sport, which do not suggest creating opposing fan groups.

The main challenges in the management of athletic events, and hence activities with most risk, are the timely planning and keeping the deadlines, establishing a successful marketing of the event and establishing a local organizing committee with appropriate staff.

DISCUSSION AND CONCLUSIONS

The distribution of the marks for the subcontractors by the general events managers are probably due to the lower possibilities for control, as well as the bad experience in outsourcing. The use of subcontractors has its merits, which are mainly related to lowering the expenditures, cutting on specific equipment and infrastructure, access to highly specialized experts and the possibility to concentrate on the main activities for the organization.

On the other hand the use of external companies for fulfilling certain tasks carry negatives. Most important of them are the increased risk of information breach, difficulties in coordination and synchronization between activities, hidden costs, that increase the price of the process, and in some cases when the subcontractors are working on several projects – lower interest and care for the execution.

From the given answers it can be suggested that the economically more powerful countries have more rational legal requirements concerning events. The correlation probably lays as in lower administration procedures, as well as better acceptance of special events, which leads to lower risk marks in the cooperation with the authorities in countries with higher GDPn.

The national athletic federations representatives put the cooperation with authorities on top of all other factors in terms of risk. The difference can be explained by the fact that the sport events have more specific legally bound requirements as security measures, medical care provision, and in some events held outside of facilities – defining track on the streets and rerouting traffic.

The following conclusions can be defined, and some recommendations proposed:

1. The collected data suggest correlation between economic development and cooperation of the general events managers with authorities. Probably this is due to more rational administration and an easier process of cooperation. This correlation should be investigated further, in order to reveal the true reasons behind.

2. Although the sources of organizational risk in the management of general events management has the same main elements, as the sport event management, they are evaluated in different order because of the specific requirements towards the sport events, particularly athletic events. The athletic events have a big diversity in the event-specific conditions and this require identification and evaluation of risk for each event by itself.

3. The cooperation with subcontractors is generally evaluated as high risk, which suggests the need for special care and implementation of mechanisms to prevent or control the losses, that can arise when the delegated tasks are not carried out. This can be a more careful selection of subcontractors and including special clauses in the contracts, that define the cooperation between organizers and subcontractors.

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