Social Responsibility in Events: Reducing and Removing the Negative Impacts of the Industry

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Introduction

Currently, one of the hottest topics being discussed both in industry and academia is Corporate Social Responsibility (CSR) (McWilliams, Siegel and Wright, 2006). This discussion on CSR is not new. It started in 1950’s, when some of the first research in CSR was written (Carroll, 1999). In spite of prolonged history, the CSR definition is still evolving, spanning from politics to green practices.

Almost every industry has been affected by CSR in some way. Due to the shift in public perceptions, industries have had to conform to CSR views in order to stay competitive. The hospitality industry is no different. One aspect of hospitality that has paid little or no attention to the issues of CSR is event management. There are many studies (Hiller, 2000; Matheson, 2004; Gursoy, Kim, and Uysal, 2004; Dwyer, Forsyth, and Spur, 2005; Matheson, 2006) that acknowledge the negative impacts of events, particularly, mega events (Olympics, conventions, and sporting events.) Of these studies, few offer solutions to the negatives of events or how they can be avoided.

The purpose of this study will be to investigate both the negative and positive effect of all-star and pro-bowl games on host cities in an effort to uncover methods to mitigate or lessen the negative impacts.

Literature Review

In the past few decades, many studies have been completed looking at the positive and negative effects of tourism. What is not really been taken into account is that there are many different areas of tourism and all knowledge gained from these studies are not able to be generalized across the industry. Fredline, Jago, and Derry (2003) looked at creating a generic scale to measure the impact of events, but they lacked offering concrete suggestions or recommendations to mitigate these negatives. From there study however, they produced a taxonomy of the impact of events. The Taxonomy was adapted from the research of Ritchie (1984) and Hall(1989,1992). In this model they point out six different categories for the impact of events. They are: Economic, Tourism/Commercial , Physical, Sociocultural, Psychological, and Political. For the purposes of this study we will again adapt these categories into: Economic, Destination Image, Physical/Environmental, Sociocultural, Resident Perception, and Political.

Economic

Many organizers spend large amounts of time presenting events as great sources of revenue for the cities that are lucky enough to have them (Matheson, 2006). This is not false. In many cases,
large amounts of money brought into the city from outside visitors, but what is overlooked is the amount of money spent to bring those guests. In the 2002 Winter Olympics in Salt Lake city, it would have appeared that the city made a large sum of money, but the cost of security which ranged in the millions was not figured in (Matheson, 2006). Models used to assess the economic impact of an event can be very optimistic. The ex ante, or predictive study works on estimates of the number of visitors, the number of days each spectator is expected to stay, and the amount of each visitor will spend each day. Yes these numbers are based in forecast, but they can be inflated and overestimations of what who will actually come (Matheson, 2004). This has lead to an increase of cities and countries bidding for these large events based on the economic increase that is being forecasted (Kasimati, 2003).

Matheson went one step further to dispel some of the positives associated with these events. In his research he states that three reasons that lead to these overestimations. They are the substitution effect (local residents spend on the events so no new revenue is created), crowding out (regular tourist are pushed out due to the event so revenue would have been realized from them with or without the event), and leakages (the money spent at these events does not always end up staying with the city. Many researchers have looked at other negative economic effects from these events such as cost of security (Matheson, 2006), increases in infrastructure (Kasimati, 2003), and the cleaning of litter and debris (Gursoy et al., 2002), but few have offered concrete ways to either mitigate or lessen these effects. Most studies are directed at surveying local residents and not those who have the decision making power to actually enact change; the planners and the city officials.

Destination Image

A study conducted by Boo and Busser (2006) found that both participants and nonparticipants image of a host city during a festival were negatively affected. Over the years the images of host cities of the Olympics have also suffered. Hisham (1999) found that governmental corruption, protests, and suppression of the rights of its citizens have negated the positive image of having the event in the country. And for most these negatives are played out in the media due to the comprehensive coverage we now have.

Physical

When looking at the physical impact events, it is important to include increases in infrastructure, changes in the eco system, and other issues surrounding physical changes. Sharpcott (1998), in response to a paper written by Olds (1998), points out three instances that surround physical displacement due to the Olympics. They are: 720,000 room renters forcibly removed in advance of the 1988 Olympics, thousands of low income tenants and small businesses forced out of Barcelona before the 1992 Olympics, and more than 9,000 homeless people arrested in the lead up to the 1996 Olympics. Many times the local residents are excluded or displaced. This is due to ticket allocation and the cost (Higham, 1999).
In a study done by Keogh (1990) he found several reasons locals were against increases in the infrastructure. They were: increases in local taxes, restriction of residents right regarding use of the structure, disputes over land acquisition, inflation of land prices, problems with land expropriation, and spoiling of natural environment.

Sociocultural

When looking from a broad perspective, tourism can negatively affect people’s habits, daily routines, social lives, beliefs, and values (Dogan, 1989). Event industry can also effect each of these dimensions. Issues of crowding in shops and streets, traffic congestion, and parking problems (Jeong and Falkner, 1996) can all have an effect on the sociocultural attributes of daily routines, habits, and social lives. The event subject matter may have a more direct effect on the attributes of beliefs and values.

Resident’s Perception

Though the direction of this study is towards the planners and city officials, the author still thinks it is important to point out the research done in the area of resident perception. It is the assumption that the city officials have the resident’s best interest in mind when making these decisions, so it is only fitting to understand how they view these events. Research is split in this topic area. Some researchers feel that overall, residents feel that events are beneficial to the quality of life (Soutar and McLeod, 1993; Fredline et al. 2003) while others feel that it must be evaluated event by event due to the nature of the event (Gursoy et al., 2001).

Successful tourism is heavily reliant on the local residents for their goodwill and successful operation of the event (Jurowski, 1994). The success of the event is therefore threatened if the locals of the host city do not support the event (Gursoy et al., 2001). Many times locals can see the tourist as a nuisance or distraction to their everyday lives (Ryan, 1992). Local residents are often concerned with what will happen to their schools, environment, and recreational opportunities (Gursoy et al., 2001). Residents even perceive a spike in crime during the time when large events are present in their cities (Ryan, 1992).

Politics

The political aspect of an event has gained attention in recent studies though overtime the meaning politics has changed from democratic involvement of the community into the autocratic decision making process currently held (Roche, 1994). Events large and small have changed from rational decision making process to one more driven by politics (Hall, 1989). Almost as a
small legislative process, events are lobbied for by local interest groups and can be squashed by these same groups. These groups are usually made up of cultural elites and business people (Roche, 1994). In a study conducted by Armstrong (1984) he found events 18 out of 23 publicly funded events came from the efforts and influence of the local powerful politicians. Events can also politically driven by the prestige of the event. Leaders may try to entice prestigious events as a form of civic boosterism (Roche, 1994)

**Proposed Methodology**

In order to understand different approaches to lessen the negative effects of the events as well as to determine what socially responsible behavior the industry perceives itself to be actively engaged in, this study will follow a qualitative methodology. The approach to this methodology will be to use the Grounded Theory approach first developed by Glaser and Strauss (1960). The Grounded theory approach looks to derive a general, abstract theory of a process grounded in the views of the participants (Creswell, 2003). These theories are formed through a multiple step process of interactions with participants. There is no set number of interactions that are deemed necessary in the grounded theory because they can be infinite (Creswell, 2003). For the purposes of this study, this process will be limited to five steps or interactions in with the author will analyze the data and adjust for any findings. These five steps are:

- Interaction with representatives of production side
- Interaction with representatives of supply side
- Dissemination of each population’s answers
  - Both of other population as well as their population
- Dissemination of comments by opposite population
  - As well as their population
- Final reflection of both populations

At the completion of these five steps the author will evaluate all portions of data and conclude with a final recommendation. Beginning at stage step three the process will become dynamic allowing for any new findings to be included in the step.
Bibliography


