

# 4 Applying Stakeholder Theory to the Management Functions

## Learning objectives

By the end of the chapter, readers should be able to understand how to apply stakeholder theory to the following management functions:

- Organizing and planning
- Sustainability
- Marketing and branding
- Experiences of all stakeholders
- Impacts and evaluation
- Resources
- Staffing and volunteers

## 4.1 Introduction

Figure 4.1 illustrates the major management functions to which stakeholder theory and management strategies can be applied. In fact, stakeholders can influence, and be influenced by, ALL aspects of planned events, so this is merely a starting point. Subsequent sub-sections with diagrams look more closely at each of these functional areas and how they influence planned events.

From the theoretical discussions presented so far in this book it should be clear that stakeholders are to be considered an integral part of event management and event tourism, not an isolated issue to be considered once in a while. This suggests that external stakeholder relations be a management function on its own, or tied to a position called something like 'External Relations'. For internal stakeholders a different approach might be required, as each manager within the organization is going to have specific stakeholder issues to deal with on a

continuous basis. Bringing these issues into one integrated approach will be the responsibility of the executive.

This chapter also brings other theoretical perspectives to bear on stakeholder management. For example, starting with organizing and planning, we identify five themes for special consideration, each being informed by other theories. Strategies and projects links with institutional theory (e.g., how to become a permanent institution) and project networks including the political market square. Accordingly, these discussions provide a launching point integrating many theoretical perspectives on management.

## 4.2 Key terms defined

### Convention and visitor bureau

A member organization that helps and promote tourism, meetings and business for their areas or cities. In most areas the word Destination Marketing Organization (DMO) is now being used (Fenich, 2013).

### Destination marketing/management organizations (DMO)

DMO's are destination marketers, and sometimes they manage event portfolios. They work with members and external stakeholders such as events within the destination to promote it as an attractive place in which to work or invest and that is worth visiting. Events are often viewed by DMOs as a way to enhance the image of the destination, attract tourists, and be catalysts for infrastructure and venue development (Wang & Pizam, 2011; Getz, 2013).

### Destination management company (DMC)

*"A destination management company, also commonly referred to as a DMC, is a third-party firm that is commonly hired to provide professional services for the planning and implementation of out-of-town event programs and services"* Hard, 2018). These services can include program design, logistics management, supplier management and accounting (Hard, 2018).

### Political market square

A political perspective, in the analysis of relational interaction in a project network marketing an event, has led to the introduction of a metaphor for such a network, the Political Market Square (Larson, 1997, 2000; Larson & Wikström, 2001).

### Public Good Argument

*"The key to this powerful argument is to demonstrate important benefits from events and facilities that accrue to society as a whole- or to the economy (which should clearly benefit us all), and to the environment (everyone supports a healthier, safer, more sustainable environment)"* Getz (2013).

### 4.3 Case study - Lusofonia Festival, Macao SAR, China

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#### Background

The Lusofonia Festival celebrates the diaspora of the Portuguese-speaking communities in Macao, China. It has been celebrated for over 20 years and it was organized by the government to commemorate and recognize the contribution of the Portuguese-speaking communities to Macao's economic and social developments. Following the transfer of sovereignty from Portugal to China in 1999, many from the Portuguese-speaking communities chose to continue to live in Macao and continued playing an important role in Macao's society. These communities are Angola, Brazil, Cape Verde, Guinea-Bissau, collectively Goa, Daman and Diu, Mozambique, São Tomé and Príncipe, East Timor, Portugal and Macao.

Over the course of three days, the festival attracts approximately 30,000 visitors made up of local citizens and tourists. Essentially a cultural festival, the Lusofonia Festival is reminiscent to Portuguese 'festa' events, which are outdoor fairs incorporating food, music, dance and games. Indeed, the major highlight of the Lusofonia Festival is the remarkable booths each representing a Portuguese-speaking community in Macao. These booths introduce to visitors their unique photographs, arts and crafts, costumes, literature, food and wine, most of which influenced by the Portuguese culture reflecting subtle and significant aspects of the Lusophone empire.



**Photo 4.1:** Lusofonia Festival. Source: Ubaldino Sequeira Couto

The Portuguese-speaking community is an important component to the success of the Lusofonia Festival. It plays various roles as stakeholders but most significantly, the role of both hosts and participants. This case study explores the benefits of engaging the diaspora community that represents different stakeholder groups and sheds light

on their role in ensuring the success of the Lusofonia Festival. The observations made in this case study was collected in a wider study by the author exploring the role of diaspora festivals in Macao.

### Stakeholders as an integral component in the festival

The diaspora community as a stakeholder group must not be alienated as it is an integral component within the festival organization. The objective of the festival is to commemorate and recognize the contribution of the Portuguese-speaking communities in Macao. It is important that these groups are visibly involved throughout the festival assuming different roles. In addition, the direction bestowed upon Macao by Beijing is to adopt a 'One Centre, One Platform' economic strategy within the Guangdong-Hong Kong-Macao Greater Bay Area and China's Belt and Road Initiative. 'One Centre' refers to the creation of Macao as a World Centre of Tourism and Leisure whereas 'One Platform' refers to the economic and cultural platform between China and Portuguese-speaking countries. Not only the festival fulfills the objective of recognizing the Portuguese-speaking communities but politically, it reiterates their continued contribution to Macao and even at a national level.



**Photo 4.2:** Lusofonia Festival. Source: Ubaldino Sequeira Couto

Unlike other cultural celebrations and festivals in Macao, the Lusofonia Festival extends beyond a Portuguese theme, but the cultural elements from Portuguese and Portuguese-speaking are diversified, rich and profound. These are manifested in arts and cultural objects, and the involvement of the people from these cultures enriches the authentic experience of festival participants and a realistic Portuguese presence within the society. Although there are a number of Portuguese architectures scattered throughout Macao – a number of these were enlisted as a UNESCO World Heritage Site in 2005 – the Portuguese elements in the city are steadily diminishing. This is in