**MANAGEMENT ISSUES IN A GLOBAL MARKET**

**A discussion of management problems faced by international event management organisations in Australia between 2000 -2005.**

**ABSTRACT**

In a few pages this paper uncovers the concept of management issue to contribute to the advancement of knowledge directly related to the latest information and practice of management. The primary goal of this report is to discuss the management problems faced by international event management organizations. After a brief acknowledge about international events, apparently some major problems and challenges stand in front of creating a good international event. These problems include culture, alcohol and crowd. This is followed by how these issues affect the international events and it presents some solutions for organizations to overcome by providing the managers with cultural knowledge necessary to success international events, and some practical advance and detailed guidance on how to best organize a successful event and minimize the impact of alcohol and crowd. In addition, this research shows other kind of solution to the managers themselves to improve their management skills in order to cope successfully with any challenges in their organizations. The report concludes by recommendations which need to be carried out before an event takes places.

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# INTRODUCTION

Event management is considered one of the [strategic marketing](http://en.wikipedia.org/wiki/Strategic_marketing) and [communication](http://en.wikipedia.org/wiki/Communication) tools by companies of all sizes to might target their audience by using the [news media](http://en.wikipedia.org/wiki/News_media), hoping to generate media coverage which will reach thousands or millions of people. Event management is an exciting new medium and sector of the Australian tourism industry which has become a positive force for employment and for the social and economic development of Australia. In addition, it is now widely accepted by most tourism stakeholders as a development and marketing strategy to exploit the economic benefits of tourism (Damster et al. 2006). Furthermore, event management pays a vital role in developing and imparting their client’s image and in promoting their products and services and building their businesses. In addition, management of problems is important too, it can minimize the impact of problems on the organization and resolve incidents quickly. The purpose of the report is to discuss the management problems faced by international event management organisations in order to provide relevant information to event managers, so that these problems can be reduced/ managed. The report begins by defining event management, types of events and describes the impact of event management in some areas. Then, it focuses on three main issues that may impede international events and contain some solutions to overcome these difficulties.

# INTERNATIONAL EVENTS IN AUSTRALIA

The section will include an extended definition of International events, the types of events and describe the impact of event on some areas. These areas include culture, environment and economy.

## Definition of IE.

The chambers dictionary defines an event as,

*‘Anything which happens; result; any incidence or occurrence esp a memorable one; contingency or possibility of occurrence; an item in a programme (of sports, etc); a type of horse-riding competition, often held over three days (three-day event), consisting of three sections, ie dressing, cross-country riding and showjumping; fortune or fact (obs); an organized activity at a particular venue, eg for sales promotion, fundraising’* (O’Toole et al. 2006).

According to this definition, the terms used to describe an event may be viewed in a variety of ways. In addition, each event often encompasses several different functions (O’Toole et al. 2006). Furthermore, a principle applying to all events is that they are temporary. Other important features of an event include management, program, setting and people who these make events unique (O’Toole et al 2oo6).

## Types of international event

International event types cab be categorised into at least five areas: community, major, mega, sport and business events.

### Community Events

Local or community events usually target local audiences. The event can take place in a city centre for example; AFL finale celebration usually happens in the heart of Melbourne city. Event organizers provide a lot of social activities to attract a huge number of visitors to the community. Some community events attract a huge number of visitors to the community; in this case we can call these events, which attract a lot of overseas visitors a (Hallmark Events).

### Major events

Major events can be described as events that attract a large number of international visitors and also media interest. For example; the Australian Open considers itself as one of the international major events in Australia.

### Mega events

Mega events are any large events that affect whole economies and attract the global media. Federation International Football Association ([FIFA](http://en.wikipedia.org/wiki/FIFA)), Olympic Games and World Fairs are some examples of mega events (O’Toole et al. 2006).

### Sport events

Sport events have become the major events in the world which attract people and media coverage form different parts of the world. The sport event management and marketing field is a big business and has grown very fast in the last few decades.

### Business events

Business events can be held during conferences, exhibitions, incentive travel and corporate events. These events help local organizations to meet and experience the global market to understand and to be aware of the latest technologies (O’Toole et al. 2oo6).

## The impact of event.

Events touch every aspect of our lives, including the social, cultural and environmental (O’Toole et al. 2oo6). In addition, a range of companies are involved in events because they realise that the benefits of events are increasing compared to other investment areas. Events can have positive and negative impacts; therefore, event managers must consider the impact of an event during each stage of the planning process and beyond in order to justify spending on events and any consequent repercussions. Furthermore, there is a table that explains clearly the impact of events.

|  |  |  |
| --- | --- | --- |
| **Sphere of event** | **Positive impacts** | **Negative impacts** |
| **Social and cultural** | -Shared experience.  -Revitalizing traditions.  -Building community  Pride. | -Community alienation.  -Manipulation of community.  -Negative community image. |
| **Physical and**  **environmental** | -Showcasing the environment.  -Providing models for  best practice.  -Increasing environmental  awareness. | -Environmental damage.  -Pollution.  -Destruction of heritage. |
| **Tourism and economic** | -Declinational promotion and increased tourist visits.  -Extended length of stay  -Higher yield.  -Business opportunities. | -Damage to reputation.  -Opportunity costs.  -Financial management.  -Financial loss. |

Source: Hall, C. M. 1989, ‘*Hallmark events and the planning process’*, in O’Toole, W, Harris, R, Bowdin, G & Allen, J 2006, *Events management*, Elsevier, Viewed 23 May 2009, retrieved from vu E-Library database.

# PROBLEM AND CHALLENGES

## Culture

Culture is made up of the shared values and assumptions of a particular group of people; therefore, there are differences in behaviour, value, perception and attitudes between people who from different cultural backgrounds (Krugman et al. 2007). As a result, there is one area of risk event management and that risk is culture. Therefore, the need to improve understanding cultures is essential to successful work or live with people from other cultures. In addition, demand for understanding cultures is increasing more than ever before because of global or international travel. Thus, managers have to be aware of the differences between cultures and understand the components of many different cultures; ultimately this will help appropriate event planning. In short, to plan a successful event for international events, it is necessary to understand and respect the cultures (Krugman et al. 2007).

## Alcohol

Alcohol is a deep- rooted element in international event in Australia. Nevertheless, alcohol consumption can be a major risk to the success of an event. Some consumers think that if they cannot consume alcohol, they will not enjoy on event, so alcohol has become the drug of alternatives at event (Peter & Tarlow 2002). According to recent research by some colleges and universities, alcohol is the primary liquor at events (peter & Tarlow 2002). Remarkably, alcohol is also the top risk component at events and the second is the inexperience of the event organizers (Peter & Tarlow 2002). Therefore, it is significant to provide a risk plan called a lightning plan to determine the risk factor by settling on the amount of alcohol service, determine what plans are existences in place and tap from past experience with issues of intoxication because alcohol problems at events tend to be similar at many different events (peter & Tarlow 2002). In addition, it is important to remember that there is a relationship between time and place. Therefore, both time and place must be carefully considered when it comes to event risk management of alcohol problems (Peter & Tarlow 2002). Furthermore, according to the University of Melbourne here some propositions that assist to control intoxication at the event:

* Sell food and non-alcoholic drinks and provide free water
* Restrict alcohol advertising at events
* Enforce strict conditions for alcohol sales and consumption at events
* Limit the cup size of alcohol
* Require responsible beverage service for workers
* Limit number of alcohol sellers

## Crowd

One of the obvious risks that may face event managers is a crowd. According to Peter and Tarlow (2002), it is important to understand the sociology of crowd and investigate why crowds develop. There are some principles that event managers should be aware them.

* People may enjoy and fear being contacted in the crowd.
* To cope with the fear of being contacted, humans set boundaries.
* In crowds, there is a privation of fear of being touched.

According to work Safe Victoria (2006), there are some keys for preventing crowds:

* Controlling entry into venues or events.
* Monitoring and communicating on crowd and individual behaviour.
* Dealing with potentially aggressive, abusive or violent behaviour.

# RESPOND TO PROBLEMS

The section of the report will show how it is fundamental to identify and asses risk. Furthermore there are also some methods to control risk. The intent of this section is also to discuss the emergency plan and response to problems.

## Risk assessment.

Events are exposed to a set of risks, including safety, security, financial and environment. Indeed, risk assessment is one part of planning and preparation that is crucial to ensure the event occurs (Tarlow 2002, p. 1). Risk event managers should identify and asses the risks and then treat or control the risk. After that, managers should be able to monitor the risk and take appropriate action in order to protect people and the environment.

## Emergency planning.

The emergency plan is designed to cope with any problems therefore, plan must retain a degree of flexibility and be implemented if there is risk during the event. To establish a successful plan, emergency planners need to collect information from a wide range of sources and meet emergency responders, and then through the meeting every member can reflect on his or her own experience. The knowledge generated from the meeting is meant for practice and to guide and direct service members who respond to emergency events (Haynes et al. 2007, p. 1).

# KEYS TO SUCCESS

The section will define action learning and describe the benefits of action learning to deal successfully with any problems. This section will also provide some keys to the success of any event such as cross cultural training and strong sponsors.

## What is action learning?

Action learning is a system for improving both individual and organizational performance. It can be defined as a group of people who solve real problems. In addition, it provides a great learning method that enables people to become skilful and handle difficult situation (Marguardt 2006).

## Benefits of action learning

Action learning can solve a wide variety of complex problems that touch on different parts of the organization (Marguardt 2006). Action learning can cope directly and indirectly with several problems such as:

* Solution to complex organizational problems.
* Individual and team development.
* Management development.
* The creation of learning organizations.

## Cross cultural training

Today, cross cultural training is core need for successful international events. In addition, understanding intercultural differences assists event managers and workers to interact appropriately and effectively with people anywhere in the world.

*‘Over 60% of participants would like more cross-cultural training, indicating their acknowledgment that the development of cultural competence is a complex and on-going learning process’* (Bean 2006, p. 1).

# CONCLUSION AND RECOMMENDATIONS

Events have the unique ability to bring people from different countries to share goals and experiences. In addition, events can help companies to market and introduce products. Furthermore, there are some challenges that may affect success of international events in Australia. Therefore, the knowledge on risk culture can allow event managers to plan successful events. Next, event managers should limit hours of alcohol sales during the events. Finally, the events organizers should erect some barriers to avoid crowd in and around the event. It is important to be the first priority for event managers to maximise their contribution to sustainable an agriculture and outcomes than just profit.

Word Count: (2012)

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