Beyond the Game: Perceptions and Practices of Corporate Social Responsibility in the Professional Sport Industry

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ABSTRACT. Corporate social responsibility (CSR) is an area of great interest, yet little is known about how CSR is perceived and practiced in the professional sport industry. This study employs a mixed-methods approach, including a survey, and a qualitative content analysis of responses to open-ended questions, to explore how professional sport executives define CSR, and what priorities teams have regarding their CSR activities. Findings from this study indicate that sport executives placed different emphases on elements of CSR including a focus on philanthropic activities and ethical behaviors. The data suggest that professional sport executives view CSR as a strategic imperative for their business. Sport executives indicated that a number of factors influenced the practice of their CSR including: philanthropy (altruistic giving), an emphasis on the local community, partnerships, and ethical concerns. We also examine important organizational variables for sport (winning, revenues, and team value) and highlight their relationship with reported CSR involvement. We discuss the implications of the findings and propose recommendations for both theory and practice.

KEY WORDS: corporate social responsibility, philanthropy, professional sport industry

Although most researchers and professionals agree that corporate social responsibility (CSR) has become a necessary business function, there is a great deal of variation in understanding how the term is characterized, what role it plays in the organization, and how it should be carried out. Many researchers have examined the topic as a broad area that encompasses several defined subareas such as legal, financial, ethical, and discretionary responsibility (Carroll, 1979; Heath and Ryan, 1989), while others use the term more loosely to refer to a general sense of ethics (Garriga and Melé, 2004; Joyner and Payne, 2002; Wulffson, 2001). Some examine CSR from the CEO’s perspective and conclude that the CEO or other top managers’ values are reflected through the company’s socially responsible actions (Choi and Wang, 2007; Jones, 2007), while others see it as primarily a public relations or marketing function (Becker-Olsen et al., 2006; Chahal and Sharma, 2006; Clark, 2000). Regardless of whether the motive of CSR is altruistic, strategic or both, research confirms that corporations engage in actions that further the social good, going beyond the financial interests of the corporation, and participating in activities that are not required by law (Carroll, 1979; Heath and Ryan, 1989; McWilliams and Siegel, 2000).

While there is a growing body of CSR research in general, it has only recently received attention in the sport industry. Consideration is now being given to the unique context in which sport operates, and some authors argue that the nature and role CSR plays in a sport organization may be different than in other industries (Babiak and Wolfe, 2006, 2007, forthcoming; Smith and Westerbeck, 2007). For instance, Smith and Westerbeck (2007) claimed that sport, broadly defined, has a number of unique factors that may positively affect the nature and scope of CSR efforts including: mass media distribution and communication power, youth appeal, positive health impacts/association, social interaction, and sustainability awareness. Babiak and Wolfe (forthcoming) also identify unique elements of the professional sport industry that may contribute to the
practice of CSR as well as potentially making it more impactful. Specifically they discuss, (i) the passion and interest the product (the team, the game) generates among fans/consumers, leading to perhaps increased awareness of socially responsible messaging; (ii) the economic structure (i.e., special protections that professional sport leagues/teams receive from the government). They suggested that such "...perceived and actual unique protections and support from public coffers, leads some stakeholders to have higher (or different) perceptions of the role and responsibility of professional sport teams and leagues to provide social benefit and 'give back' to the community" (p. 7); (iii) transparency, where player, team, and management decisions are often well known, as are important "outcomes," i.e., wins and losses, and athlete behavior off the playing field; and (iv) stakeholder management where "relations with stakeholders such as the media, players, various levels of government, sponsors, suppliers, fans, and local communities, can benefit from CSR activities" (p. 8). Given these distinctive factors, CSR in professional sport merits further investigation and can contribute to the academic literature on CSR in general to help better understand the way CSR is viewed and practiced, and the strategic opportunities for CSR in organizations.

Thus, the purpose of this study was to gain an understanding of how CSR is perceived by sport executives as well as to investigate the nature of professional sport teams' CSR-related efforts. Using a mixed-methods approach, this study examined how North American professional sport franchises in the National Football League (NFL), National Basketball Association (NBA), National Hockey League (NHL), and Major League Baseball (MLB) perceive and practice their CSR initiatives.

Despite the growing trend of socially active corporations, Friedman (1962) argued that businesses had only a fiduciary responsibility to direct shareholders, and any other expenditures were a mismanagement of corporate funds. Several years after Friedman's articulation, Carroll emerged as the prominent figure in developing a CSR framework. The purpose of Carroll's (1979) model was not to dispel Friedman's theory but to "reflect a view of social responsibility that [was] related to some of the definitions offered earlier ... that categorize[d] the social responsibilities of businesses in a more exhaustive manner" (p. 499).

In his model, Carroll (1979) synthesized previously conducted research into what he observed as the four responsibilities of CSR: economic, legal, ethical, and discretionary. Carroll suggested that economic responsibility is paramount because companies must profit in order to remain in business and benefit society. Legal responsibility is just as clear cut: all businesses must follow the rules and regulations created for the good of everyone. Carroll (1979) defined ethical responsibilities as going beyond economic and legal responsibilities and following "additional behaviors and activities that are not necessarily codified into law but nevertheless are expected of business by society's members" (p. 500). Levy (1972) stated that ethics are simply values in action, and as a result, they tend to change as societal values change. Finally, the discretionary category is one that is not mandated, but rather a voluntary attempt for businesses to address social issues. Problems with Carroll's (1979) model lie in the fact that no empirical research first determined how practitioners perceived CSR. Instead, he integrated previous literature to conceptualize what others were saying about the topic. Thus, while his model is generally accepted and based on previous scholarship, the actual understanding of the issue in practice may not align with the model.

Carroll's (1979) model placed most significance on economic concerns, followed by legal, ethical, and finally discretionary responsibilities. Aupperle (1984) expanded upon Carroll's work to determine an empirical order for the four categories. His findings were consistent with Carroll's hierarchy of CSR: US executives placed greatest weight on economic concerns, followed by legal, ethical, and finally an organization's discretionary responsibilities (Aupperle, 1984). Pinkston and Carroll (1996) replicated

Literature review

The idea of CSR dates back to the early 20th century when business tycoons such as Carnegie and Ford began donating funds to improve social conditions. CSR became more significant in the 1960s and 1970s; however, corporations faced growing public activism and began to question their role in social issues (Clark, 2000).
Aupperle’s study to explore whether orientations would differ in an international sample and to assess if they had changed over time. Using Carroll’s (1979) definition, they found the order to be the same, with the gap between economic and legal responsibilities decreasing, ethical responsibilities increasing, and discretionary responsibilities decreasing (Pinkston and Carroll, 1996). In the study, Pinkston and Carroll admitted that “ethical responsibilities have been considerably more difficult to define and interpret” (p. 200), referring to it as a gray area. Both Aupperle (1984) and Pinkston and Carroll (1996) used Carroll’s (1979) definition of CSR to survey top managers. While their methods were appropriate, they were left to view the findings in terms of Carroll’s operational definition of CSR. The following section explores other perspectives offered for CSR.

**Alternate views of CSR**

In their study on social responsibility and corporate websites, Esrock and Leichty (1998) note that the definition of CSR is highly debated and that there is little consensus on the issue. Godfrey (forthcoming) states that “In terms of a definition, CSR is a tortured concept, both theoretically and empirically” (p. 12). Thus, there continues to be confusion and lack of clarity on the issue of how CSR is defined and perceived in the academic literature.

In 1999, Carroll re-examined his own CSR model in response to changing trends. He noted that many critics of his model did not consider a firm’s economic duty as part of CSR since it benefited the company itself. The other components, critics argued, were responsibilities the firm performed on behalf of society. Carroll, however, stood by his definition, asserting that “economic viability is something business does for society ... although we seldom look at it in this way” (p. 284). Carroll went on to say that the ethical responsibilities component of CSR was growing in importance in the 1980s and the discretionary principle had developed into “philanthropy.”

Heath and Ryan (1989) operationalized CSR by its characteristics of image building, moral rectitude, and monitoring and responding to situations. They examined if and how public relations helps to define CSR, and found that, while most corporations employ codes of behavior for social responsibility, they also perceive the issue in different ways. Some companies, for example, broadly defined the term “simply as performing good deeds” (p. 34); others reported that creating a code of ethical conduct was an essential aspect of CSR. To complicate the definition even more, some researchers believe CSR to be synonymous with corporate citizenship, sustainable development, triple bottom line, and business ethics (Carroll, 1998; Matten and Crane, 2005; van Marrewijk, 2003). As van Marrewijk (2003) pointed out, CSR “…means something, but not always the same thing to everybody” (p. 96). As a result, there is not a well-developed consensus which provides a basis for action or in which to ground academic research.

The majority of research conducted about who drives decisions about an organization’s CSR efforts has focused on CEOs (Buchholtz et al., 1999; Choi and Wang, 2007; Jones, 2007). Buchholtz et al. (1999) used Carroll’s model of corporate performance to examine discretionary responsibility in the corporate world. Carroll (1979) defined discretionary responsibilities as “purely voluntary, and the decision to assume them is guided only by a business’s desire to engage in social roles not mandated, not required by law, and not even generally expected of businesses in an ethical sense” (p. 500). Using this definition, Buchholtz et al. (1999) attempted to understand discretionary practices and how managerial discretion and personal values affect the levels of philanthropic activity. The researchers measured managerial discretion by asking the CEO how much authority the board gave him or her, and they measured managerial values by asking each member of the top management team to weigh the relative importance of six different issues. Buchholtz et al. (1999) found that firm size and resource levels were significant determinants of corporate philanthropy, but the effects were, in fact, somewhat mediated by managerial discretion and values. This indicates that executives are somewhat influential in determining CSR policies.

**Professional sport and corporate social responsibility**

While little empirical research has been conducted on the intersection of CSR and sport, one look at a professional sport team’s webpage and other
communication vehicles indicates that CSR has become an integral part of these organizations’ business functions. The next paragraphs explore the small but growing body of academic research in the area of CSR and professional sport.

Babiak and Wolfe (forthcoming) revealed how CSR is becoming institutionalized in professional sport and identified the internal resources and external pressures that served as the drivers of these changes. Their findings indicate that executives reported pressures from customers, team employees, corporate partners, and other stakeholders to become increasingly engaged in CSR. They also highlighted in their paper that professional sport teams and leagues have unique resources available to them to deploy their CSR programs and generate perhaps greater awareness for social issues than businesses in other industries might. These resources include: ticket donations; signage; facilities (stadiums, arenas); events; access to media, suite holders, vendors, and sponsors; and the professional staff of the team (lawyers, trainers, accountants, and owners). Their study suggests that sport executives use CSR as a means to further the strategic position of the sport organization. Babiak and Wolfe (2006) also explored socially responsible activities surrounding a mega-sport event: the Super Bowl. Their study showed that sport executives favor using a multipronged approach to deliver their community outreach efforts during those events and expect to benefit from these activities from both an altruistic and strategic perspective.

Other academics have examined CSR from a marketing perspective in sport. It should be noted that numerous “socially responsible” organizational activities have emerged that intend to benefit both the organization and society. Cause-related marketing and cause branding are two examples of these types of efforts. “Categorized as sponsorships, cause-related marketing involves profit-motivated giving and enables firms to contribute to nonprofit organizations while also increasing their bottom line by tying those contributions to sales” (Landreth Grau and Garretson Folse, 2007). Several authors (Irwin et al., 2003; Lachowetz and Gladden, 2002; Lachowetz and Irwin, 2002; Roy and Graeff, 2003) suggest that, in order for cause-related marketing to be sustainable, CSR activities should contribute to the company’s bottom line at some level, and that increasingly, sport executives are strategically deploying their CSR activities to do so. Beyond these contributions, we know little from an academic perspective of the function, importance, objectives, and executive perceptions of CSR in professional sport. Further, we discuss the CSR-related issues that affect contemporary professional sport leagues and teams.

Sport franchises are no different from other companies in their intent to earn a profit and positively impact the economy in the cities in which they operate. Although sport teams are not major employers per se, they can have a considerable economic impact on a city, evidenced primarily in the spending generated by fans (Blair, 1997). Some scholars have noted that a franchise will enhance an area’s image as well (Rosentraub, 2006). Lee and Chun (2002) state that the economics of professional sport teams lie in the principles of buying and selling goods, services, and labor. Unlike traditional businesses, however, sport franchises are valued on their revenues, rather than cash flow and assets. Each league shares different revenue streams at different levels, including gate receipts, broadcasting rights fees, luxury boxes, club seats, concessions, advertising, and membership fees. Revenues affect the type of players a team can afford, but questions remain regarding the connection between revenues and CSR activity.

Sport teams, like corporations, are legally mandated to follow federal, state, and local regulations or run the risk of penalty. Carroll’s (1979) definition of legal responsibility is that society expects business to follow these rules. Sport teams do receive legal benefits because of their status, so it is important that they follow all legal regulations. Cole (2001) argues that sport produces million-dollar deals in media usage, stadium, player contracts, and league revenues. Antitrust laws are perhaps the most important in the sport legal mix, as they produce fair competition in each league. Other legal issues include gambling, trademark rights, contract laws, and players abiding by the law, including the use of illegal substances. When players participate in illegal activities, the individual is held legally responsible rather than the organization itself, yet the player’s activities may reflect negatively upon the team (Smart and Rechner, 2007). When this is the case, teams may turn to reputation management tactics, including increasing CSR activities.

In general in the sport industry, discretionary (philanthropic) responsibility entails cash donations to
causes or nonprofit organizations, in-kind donations such as free tickets, sponsorship of community events, and active employee volunteerism (Extej, 2004). Some research shows that the amount of corporate philanthropy in the USA decreased through the 1990s, although these numbers may be misleading because they do not include sponsorships, in-kind donations or sharing of resources (Saia et al., 2003). Other researchers, however, have shown that philanthropy has increased steadily in importance within organizations (Gan, 2006; Pinkston and Carroll, 1996). Since professional sport teams hold a high profile in the communities where they are based, this category is perhaps more important to sport teams because, in order to succeed financially, each team is dependent on the local community to purchase tickets and other team goods (Extej, 2004).

Virtually all professional teams participate in some kind of philanthropic activities (Babiak and Wolfe, 2007). Extej (2004) notes that approximately 350 charities and foundations exist in relation to professional teams and athletes, and these charities contribute more than US $100 million annually to community beneficiaries. Recently, the NBA launched a social responsibility initiative called "NBA Cares" with the commitment of donating US $100 million to charity over 5 years in the areas of literacy, youth and family development, and health-related causes. Even the leagues themselves mandate that the athletes be involved in the community. For example, the collective bargaining agreement in the NBA requires each athlete to make at least five individual and five team appearances at community functions. Extej (2004) also claimed that 66% of professional sport teams in the four major leagues host a charitable 501(c)3 foundation apart from the team's corporate contributions operations. While this percentage is high, it is important to note that most professional sport teams donate less than 0.5% of income to the community (Extej, 2004). Individual players and team owners practice philanthropy as well. For example, George Steinbrenner, the owner of the Yankees, donates his own money to several causes, such as the Silver Shield Foundation in New York and the Gold Shield Foundation in Florida (Bernard, 1998). When the Atlanta Falcons transferred ownership to Arthur Blank, former CEO of Home Depot, the team's foundation budget dramatically increased, and he indicated that: "Giving back is not part of the 'brand', it's part of what's the right thing to do" (Bowman-Littler, 2002).

There is no doubt that there is an increase in emphasis on CSR and philanthropy in professional sport.

Sport philanthropy is an emerging sector within corporate philanthropy through which professional sport organizations forge partnerships and strategically invest in the health and well-being of their communities by dedicating and leveraging both financial and in-kind resources to address local issues (Pro Sport Teams, 2003).

Methodology

This study employed a mixed-methods approach including a quantitative questionnaire and a qualitative content analysis to investigate the perceptions and practices of CSR in the professional sport industry.

Data collection

The population of the survey included team owners and community-relations directors of teams in the NFL (32 teams), NBA (30 teams), NHL (30 teams), and MLB (30 teams). In seven cases, however, the same individual owned two teams; therefore, only one survey was sent to these participants. The owner of a team could be an individual, a partnership group or a parent company. In cases in which the owner of a team was more than one individual, the top executive (president) of the team received the survey. Thus, the survey population consisted of 237 potential respondents.

Instrument

The instrument used in this study was a 47-item questionnaire that asked open-ended, rank-order, and Likert-scale questions to determine how sport executives view and practice CSR in their organizations. All open-ended questions were analyzed using a qualitative content analysis, which is described below. Respondents were asked to select items from a list of topics, and the answers revealed how respondents view CSR, and how sport executives regard specific
CSR activities. Finally, a number of questions sought to examine how teams practice their CSR. Several questions each tested the same concept to increase internal validity.

Participants
Surveys were sent to the team owner and community-relation director for each professional sport team in the four major US leagues. Of the 122 teams, surveys were sent to the team president in 25 cases. A total of 31 surveys were returned, and of those, 27 were usable, thus yielding an 11.39% response rate. The distribution surveys returned per league were as follows: MLB – 12, NHL – 7, NBA – 6, and NFL – 2. Of the completed surveys, 15 were returned by community-relation directors, and 12 were returned by owners/team presidents.

Data analysis
Quantitative data were imported into SPSS 16.0, where frequencies, mean, and standard deviations were computed. With Likert-scale responses, descriptive statistics and frequencies were run on the original data. In addition to frequencies and descriptive statistics, Pearson correlations were conducted with revenues, team values, and winning percentages (all from 2006) in order to explore the relationships between these organizational variables and CSR perceptions and reporting. Independent samples t-tests and their corresponding nonparametric Mann–Whitney tests were conducted to compare differences between team values, winning percentages, revenues, and reported CSR priorities. We performed Pearson correlations between the following variables: regular season winning percentage and the average value of 14 survey questions respondents answered regarding their team’s CSR involvement; team values and the average reported involvement in team CSR; and team revenues and the average reported involvement in team CSR.

Although quantitative research may find results that are more generalizable, it often does not explain how and why such results occur. To delve deeper into this topic, this study also asked open-ended (qualitative) questions to create a more in-depth understanding of CSR in the sport industry. Specifically, this qualitative approach was used to understand how respondents perceived CSR as well as to understand each team’s concerns and practices in the area.

Qualitative content analyses are focused on “capturing definitions, process, meanings, and type” (Altheide, 1996, p. 27). Rather than counting, the point is to derive a greater understanding and holistic explanation behind the texts. Altheide (1996) stated that the initial categories used in this method should be kept to a minimum, and other categories can be added later if the data require it. This study used Carroll’s four responsibilities of CSR (economic, legal, ethical, and discretionary) as a starting point, but other categories emerged as the analysis progressed. Each category was narrowly defined to allow more concentrated meanings offered by the texts. The unit of analysis was a complete thought that could be viewed as a derived meaning, definition or activity in and of itself.

Results
Survey respondents were asked to indicate their views on what organizational activities contributed to CSR by selecting business-related functions from a list of variables including: economic, legal, ethical, and philanthropic. The greatest number of responses was in the philanthropic category, with “donating funds to nonprofit organizations” and “supporting social causes” being identified as the most significant CSR-related business activities. The next most significant category was ethical, followed by legal, and finally economic. The frequencies of each answer and category are reported in Table I.

Likert-scale questions also explored aspects of CSR in professional sport, particularly how respondents viewed and prioritized Carroll’s four elements of economic, legal, ethical, and philanthropic responsibility. “It is important for my organization to be ethical” and “it is important for my organization to meet all legal regulations” both received the highest ratings on the five-point scale. The lowest mean values for the group of statements were two economic statements: “it is important for my organization to be economically viable” and “it is important for my organization to make a profit.” The mean values and standard deviations (SDs) are reported in Table II.
Finally, respondents were asked to rank Carroll’s four CSR categories (i.e., philanthropy, ethics, economic, and legal) with a four-point scale. A score of 1 was considered to be the most important factor in CSR, while 4 was considered the least important. The purpose of this line of questioning was to determine the importance sport executives attributed to Carroll’s CSR responsibilities. The mean values resulted in ethical responsibilities being the “most important factor” with a score of 1.71. The philanthropic category was next with a 2.29 score. Legal responsibilities were placed third with 2.86, and economic responsibilities came in last with a score of 3.18 (Table III). This hierarchy is different from what Carroll posited in 1979 and different from Pinkston and Carroll’s results of the same type of question in their 1996 study. The mean (n = 49) from that study resulted in economic responsibility given the most weight, then legal, ethical, and philanthropic.

**Views of CSR activities in professional sport**

Several items on the questionnaire examined the importance that respondents in the sport industry
TABLE III

Rankings of CSR

<table>
<thead>
<tr>
<th>Category</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethical</td>
<td>1.71</td>
<td>0.66</td>
</tr>
<tr>
<td>Philanthropic</td>
<td>2.29</td>
<td>1.15</td>
</tr>
<tr>
<td>Legal</td>
<td>2.86</td>
<td>1.04</td>
</tr>
<tr>
<td>Economic</td>
<td>3.18</td>
<td>0.94</td>
</tr>
</tbody>
</table>

placed on specific CSR activities. The mean values and standard deviations for each item are listed in Table IV. The item with the highest mean value was a concern for fan safety (4.89), which could be attributed to a player/fan brawl the NBA faced resulting in initiatives to protect fans attending games. The next highest value was for the contribution to youth sport programs (4.81). The lowest valued statement was a concern for ecological/environmental initiatives (2.74). Low values were also returned for contributions to the arts (3.11) and human rights causes (3.19). All participants “agreed” that their organization contributed to educational initiatives and school programs, contributed to charitable foundations, and was concerned with fair business practices and policies.

The responses reflect that, on the whole, teams tend to practice what is familiar [i.e., traditional community-relations programs (e.g., youth sport and school programs)] over those that are less traditional for a sport team (i.e., disaster relief, human rights, the environment, and the arts). It seems from this initial data that sport teams tend to be strategically spending their CSR dollars in areas that match their core competencies as a business.

Once the frequencies, means, and rankings of the responses to the survey were calculated, we then felt that other organizational variables might have relevance to more fully explain the picture of CSR in the professional sport industry. We gathered additional data for each of the responding teams. This included: yearly revenues, team values, and annual winning percentages. We felt that these variables might be related to the views of executives on their CSR efforts, and are particularly unique to sport. For example, would a winning (successful) team place greater emphasis on community outreach and socially responsible involvement than a losing team? Or, conversely, could a losing team use their CSR-related activities to keep fans loyal and coming to games in a year in which the team itself performs poorly? In this case, they would report more importance on CSR and the activities in which their team is involved.

While we did not uncover significant relationships between these additional variables and reported

TABLE IV

<table>
<thead>
<tr>
<th>CSR practices</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concern with fan safety</td>
<td>4.89</td>
<td>0.32</td>
</tr>
<tr>
<td>Contribution to youth sport programs</td>
<td>4.81</td>
<td>0.48</td>
</tr>
<tr>
<td>Contribution to educational initiatives and school programs</td>
<td>4.74</td>
<td>0.45</td>
</tr>
<tr>
<td>Contribution to charitable foundations</td>
<td>4.67</td>
<td>0.55</td>
</tr>
<tr>
<td>Concerned with fair business practices and policies</td>
<td>4.63</td>
<td>0.49</td>
</tr>
<tr>
<td>Concerned with front office employee safety</td>
<td>4.44</td>
<td>0.64</td>
</tr>
<tr>
<td>Concerned with product safety</td>
<td>4.36</td>
<td>0.81</td>
</tr>
<tr>
<td>Contribution to disaster relief</td>
<td>4.33</td>
<td>0.68</td>
</tr>
<tr>
<td>Contribution to health programs</td>
<td>4.19</td>
<td>0.83</td>
</tr>
<tr>
<td>Contribution to economic development</td>
<td>4.00</td>
<td>0.96</td>
</tr>
<tr>
<td>Contribution to reducing poverty</td>
<td>3.54</td>
<td>1.07</td>
</tr>
<tr>
<td>Contribution to human rights causes</td>
<td>3.19</td>
<td>1.00</td>
</tr>
<tr>
<td>My organization contributes to the arts</td>
<td>3.11</td>
<td>1.09</td>
</tr>
<tr>
<td>Contribution to ecological/environmental initiatives</td>
<td>2.74</td>
<td>1.16</td>
</tr>
</tbody>
</table>
involvement in CSR activities, the trends suggest that there may be marginal relationships at play. For instance, the relationship between CSR reporting and winning percentage was interesting (and showed a marginal significance of 0.092). For three of the leagues (MLB, NBA, and NFL), as winning percentage increased, the extent to which executives reported involvement in CSR activities appeared to decrease. In one case, the NHL, this trend appeared to have no effect. That is, as winning increased, reporting for CSR remained the same. This could be the result of a consistent focus on CSR among respondents, given the labor dispute that occurred the year prior to the study. We report the Pearson correlations and their significance for all of the organizational variables measured in Table V.

Another variable that we thought might be relevant with respect to CSR reporting was yearly team revenue. This relationship showed that in general (although not significant), as team revenues increased, executives reported more involvement in CSR-related activities in their teams. One might speculate that this would be the case since increased revenues might mean more financial resources would be available for distribution for organizational functions such as socially responsible programming or charitable work. The one exception to this again was the NHL, which appeared to report less CSR activity as revenues increased. Again, this league was emerging from a cancelled season, and so executives might have had a shift in priorities during this time.

Finally, we examined the relationship between team value and reporting on CSR activities. The trend indicates a very slight decrease (although again not significant) in overall involvement in CSR activities as team value increases. Since values may be relatively more stable than revenues, this variable may not have as much of an impact on team-related CSR activities.

We also explored the relationship between the ranking/priorities of CSR elements [combining the means of responses to the two highest-ranked areas from Table III (i.e., philanthropic/ethical), and the two lowest-ranked areas from Table III (legal/economic)] and winning percentage, team value, and revenues. We conducted t-tests and corresponding Mann–Whitney nonparametric tests to compare the two groups (philanthropic/ethical versus legal/economic) on these variables (Table VI). The results indicated a marginal significant difference ($p = 0.055$) between winning percentage, but no significant relationship with the other two values (i.e., revenues and team values). Specifically, executives that stated that their top priority was in the areas of ethical/philanthropic had lower winning percentages than those executives who reported that legal/economic were their top priorities.

The qualitative data analysis followed an iterative approach, moving back and forth between data review and literature review (Strauss and Corbin, 1998). Carroll’s four areas of social responsibility (economic, legal, ethical, and philanthropic) were used as the initial themes to understand sport executives’ priorities on CSR; however, an analysis of the qualitative data suggested that, in all, eight themes emerged: philanthropic, community, strategic, partnership, leadership, ethical, legal, and stakeholders.

**CSR in the professional sport industry**

The order of the categories represents the sequence of elements that appeared to be the most prevalent. Below we discuss the eight categories and use representative quotations from respondents to highlight their interpretations and priorities of CSR (Table VII).
Correlations between CSR priority responses and team value, winning percentage, and revenue

<table>
<thead>
<tr>
<th></th>
<th>n</th>
<th>Mean</th>
<th>SD</th>
<th>SEM</th>
<th>t-test</th>
<th>p-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Legal/economic</td>
<td>5</td>
<td>113.40*</td>
<td>46.758</td>
<td>20.911</td>
<td>0.442</td>
<td>0.512</td>
</tr>
<tr>
<td>2. Ethical/philanthropic</td>
<td>22</td>
<td>129.27</td>
<td>39.808</td>
<td>8.487</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Winning %</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Legal/economic</td>
<td>5</td>
<td>0.58976</td>
<td>0.067396</td>
<td>0.030140</td>
<td>0.055</td>
<td>0.046</td>
</tr>
<tr>
<td>2. Ethical/philanthropic</td>
<td>22</td>
<td>0.49840</td>
<td>0.095559</td>
<td>0.020373</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Team value</strong></td>
<td></td>
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<td>1. Legal/economic</td>
<td>5</td>
<td>356.80*</td>
<td>294.197</td>
<td>131.569</td>
<td>0.928</td>
<td>0.454</td>
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<tr>
<td>2. Ethical/philanthropic</td>
<td>22</td>
<td>347.73</td>
<td>176.473</td>
<td>37.624</td>
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*Millions US$

Phantricp
Respondents emphasized the philanthropic nature of CSR in sport. Nearly all of the respondents felt that their CSR-related activities held a strong philanthropic component. Respondents articulated their views on this theme by stating that their organization’s activities focused on philanthropy, community reinvestments, charity, or statements that provided examples of specific philanthropic activities, such as contributions to nonprofit organizations, health and educational facilities, and youth programs. Given the increase in the formation of professional sport team foundations over the past 15 years (Babiak and Wolfe, 2007) it is not surprising that sport executives identified this as a key priority of their CSR efforts. This philanthropic emphasis appears to be related to Carroll’s views on CSR: i.e., sport teams donate funds or provide in-kind assistance in a discretionary manner. A strategic (versus altruistic) view of this could be explained by the connection of the sport team to the community, and its reliance on fans to attend games and otherwise support the team. Thus, reaching out to a community through philanthropic efforts generates interest in a team and builds a fan base. These fans, in turn, may be more likely to follow the team and become life-long fans, which may affect purchasing decisions. Additionally, sport teams may make efforts to combat ethical issues (i.e., cheating, spaying, gambling, and performance-enhancing drug use) with philanthropic efforts. The idea of “ethical blowback” (DeCelles et al., 2007), or the concept of public negative reaction against firms based on their ethical practices or the social outcomes of their business operations, is relevant here. Thus, philanthropy, beyond being an altruistic activity, may be viewed as a strategic tool to improve an organization’s image. Indeed, research has shown that organizations have both altruistic and strategic motives in employing philanthropy-related practices to ameliorate or enhance their brand image in the face of public scrutiny (Gan, 2006).

Community
Another recurring theme in the data about priorities for CSR was the emphasis on local community. While sport executives felt that philanthropy was a significant part of their CSR efforts, respondents also strongly felt that a community-focused approach was important in the practice of their CSR. As a strategic initiative, a focus on the community in which a sport team operates may provide the organization with a stronger and more loyal customer base. A large corporation may have consumers on a national or international scale, whereas a sport team identifies with a particular city or, at most, a specific region of the country. As discussed earlier, sport teams produce an economic impact on a particular area, and the reverse may also apply (Lee and Chun, 2002). Those who live in a community in which a sport team operates may be more likely to be fans and thus generally support and generate revenues for the team. Moreover, with any company, a sport team
### TABLE VII
Representative quotations of sport executives’ CSR priorities

| Philanthropic | We require that every employee, from our players to front office, be involved in some type of community program, charity, or service. We support two RBI (reviving baseball in inner-cities) leagues and refurbish youth baseball fields throughout our communities. We also have several scholarship programs and are active in local charities. Local community organizations (charities) are made a part of financial and event considerations. Our stakeholders are fans and sponsors. It is our responsibility to give back to the community. Particularly from a philanthropic standpoint, we have an owner that is wealthy and local, and he, more than anyone else, knows the importance of giving back and elevating yourself in the process. Players, because they are celebrities, are vehicles to help the community — to give them hope and pride. |
| Community | A company would not exist were it not for the health and vibrancy of its community. Therefore, it is the responsibility of any forward thinking company to give back in direct and specific ways to ensure the long-term vibrancy of its community, customers, and employees. Our organization is committed to developing a responsible philosophy in the community which we reside by using our core assets and unique attributes. Our company has an obligation to the fans and stakeholders. We must be responsible to the needs of the community in order to maintain a proper relationship. We must accept our team’s role as a leader in the community. |
| Strategic | CSR efforts should use the power and investment of our organization’s strategic resources in the interest of improving quality of life for those in need of help. I think every company has a duty to be a giving and engaged “corporate citizen” just as every individual citizen has a similar duty. Companies should invest to improve the community in which employees and customers live. Companies should set standards for behavior and should creatively and strategically use all resources available to accomplish this goal. Corporate social responsibility implies keeping the community’s needs in mind while trying to enhance your business. It means giving back via money or other avenues to those less fortunate to ensure others have the same opportunity your company did. |
| Partnership | For us, CSR is the partnership that a company enters with its surrounding community. This partnership serves to fulfill the following: (1) establish good standing in the community as a contributing influence on society, (2) develop relationships within the community, (3) help in the betterment of the community, and (4) serve as a representative example for others as a leader in the community. The effects of corporate social responsibility are not limited to the above, but generally would fall within such a framework. |
| Leadership | We try to be leaders in the philanthropic area by teaching/helping others to improve their circumstances. We must accept our team’s role as a leader in the community, and setting an example as a leader. Being active and positive members of the community through financial and volunteer time giving. Contributions to nonprofit organizations, health and educational facilities, and youth programs are a priority. We must serve as a model organization within the market for fairness and equality in the organization. As the president of [TEAM], I have tried to articulate our organizational policy as being of the highest order of ethical, moral, and legal standards to which all of our constituencies can be proud. As the [LEAGUE] team for an entire region of the North American continent, we believe that we must serve as role models for the region. We believe it to be the organization’s obligation to support worthy charitable and civic causes that affect our constituency in our geographic region. For a professional sport team, the [TEAM] believe[s] that starts at the top and extends down through our staff to and including our athletes on the field. We are all role models. |
It is critical for us to conduct our business in an ethical manner. Ethical treatment of our employees/fans. Integrity in all aspects of our business. It is the responsibility of a corporation to be involved within the community to better assist its society to function at the highest level and live up to its responsibilities as a good corporate partner.
I think every company has a duty to be a giving and engaged "corporate citizen," just as every individual citizen has a similar duty. Companies should invest to improve the community in which employees and customers live because it is the right thing to do. Companies should set standards for behavior and should creatively use all resources available to accomplish this goal.
It is the responsibility of a business to be a good community partner as well as a good employer. It means setting an example as a leader, and presenting a positive image through philanthropy, employment practices, and all ethical manners of conducting business. While there are numerous ethical issues at all times, probably the top two at the moment are: (a) performance-enhancing drugs and how MLB's new drug testing program will work. (b) fan behavior/player interaction in facilities, in view of the recent spate of ugly incidents, primarily in the NBA.
Our organization educates our employees that we want to be ethically responsible and guides them on what issues are important and how we should respond to them.

Corporate social responsibility is an organization's obligation to assist the community in which it resides in because said community has given that organization a legal license to operate. Legal responsibilities are a given to be and stay in business - social responsibility is what we choose to do beyond. It is important for us to conduct our business in a legal and ethical manner. It's the law - we have no choice here.

... a city and a team's fans are the true owners of a sport team. We are simply caretakers. As such, it is our responsibility to give back to our stakeholders - the fans.
The commitment to all stakeholders to treat them with dignity and respect. Stakeholders include: fans (customers), employees (players and front office), owners, suppliers, competitors, the environment, public entities, and charities.
... ensure the long-term vibrancy of its community, customers and employees.
CSR is the way our team and our employees embrace, acknowledge and/or advance issues that are important to our employees, customers and community-at-large. CSR is the call for us to think outside of our internal needs and structure and recognize and determine how we can best use our assets to raise awareness, educate or make a difference on an issue or cause important to our defined or targeted community or communities.
... being of the highest order of ethical, moral and legal standards to which all of our constituencies can be proud. ... We believe it to be the organization's obligation to support worthy charitable and civic causes that affect our constituency in our geographic region. For a professional sport team, the [TEAM] believe[s] that starts at the top and extends down through our staff to and including our athletes on the field.
Players, because they are celebrities, are vehicles to help the community - to give them hope and pride. ... It's about building championships on and off the court, especially with the youth and helping them rise above their circumstances.
Companies should invest to improve the community in which employees and customers live.
cannot help everyone, so the funds spent on CSR are locally dispersed for ease of transfer and to affect the local population first and foremost.

Given the emphasis on community, it is often the case when a sport franchise relocates or an expansion team is granted to a city that the first forays into the community are “socially responsible” programs and projects (Kelley et al., 1999), often even before an actual game is played in the city. Thus, the importance of having a focus on the local community in developing a loyal fan base and creating awareness for the team becomes a strategic imperative for CSR-related efforts.

**Strategic**

The strategic use of a sport team’s resources was another priority for sport executives. Respondents stated that there was a need to strategically use organizational funds and resources to help the community in which they operated and that CSR could be used to advance business interests. Respondents claimed that teams do not donate funds or in-kind products to a needy organization just for any reason. Rather, they attempt to use a strategic approach to ensure that their socially responsible activities positively impact other areas of their business as well as the local community. Furthermore, respondents suggested that teams use players as vehicles to help the community thereby using their strategic assets—financial and nonfinancial—to meet the goals of CSR. Several authors have discussed the role of strategic social responsibility (Bruch and Walter, 2005; Porter and Kramer, 2006) for firms and the benefits such actions provided to the firm itself. In sport, Babiak and Wolfe (forthcoming) discussed the role of a professional team’s use of strategic resources in the delivery of socially responsible programs (namely the valuable, rare, and inimitable resources teams have, i.e., brand recognition, ability to evoke emotion/passion in fans, fan identification with team, celebrity cachet, sport facilities, corporate sponsors, ability to convene nontraditional partners, and expertise), and suggest that sport teams have an opportunity to strategically make a greater impact than other types of organizations given these unique resources.

**Partnership**

Partnerships were the fourth theme that emerged from the qualitative data about CSR priorities in sport. In this theme, an emphasis was placed on “maintaining proper relationships,” with community organizations and corporate sponsors. Respondents suggested that in sport, the purpose of CSR is not only to donate funds and in-kind items to the local community, but it is also to partner with other organizations for the betterment of the entire community and build strong networks within that community. Many respondents stated that CSR was important because teams needed to be a “partner” to address social issues facing communities in which teams operate and that they could not address these issues on their own. This relational aspect of CSR ties into the strategic and local aspects because teams realize the importance of building a strong and supportive local network.

The role of partnerships in CSR has been growing in interest not only in practice, but also in the academic literature. Tracey et al. (2005) examined how CSR partnerships can create stronger and more sustainable impacts. They stated that “…partnerships between corporations and community enterprises raise the possibility of corporations moving beyond philanthropic donations toward a more sustainable form of intervention involving long-term commitments to communities” (p. 328).

Similarly, Pearce and Doh (2005) suggest that collaborative social initiatives (CSIs) have become a form of engagement in which companies provide ongoing and sustained commitments to a social project or issue and provide the best combination of social and strategic impact for companies. In this way, each partner benefits when the other brings resources, capabilities or other assets that it cannot easily attain on its own.

**Leadership**

Many respondents discussed the importance of being a role model as an organization or a leader in the community. Lee and Chun (2002) noted that teams have an economic impact on a city as well as improving the area’s reputation by placing the city on a national scale. Sport teams are able to do this because they are “entertainers” and while they play in local stadia, the games are often covered nationally through media. Games are often televised, broadcast on the radio, and now it is possible to purchase streaming of all baseball games via the Internet (Tomich and McLaughlin, 2005). Additionally, digital cable
providers and satellite television and radio have now contracted with leagues so that fans can watch or listen to any game in any league (Tomich and McLaughlin, 2005; Umstead, 2004). With this scrutiny, it only makes sense that teams feel they should serve as role models for their community. Other organizations in the community may not be able to garner the same national coverage in most cases. Because teams are leaders and role models and their actions are constantly in the public eye, they may feel they are required to be socially responsible based on public expectations, and in doing so, they may motivate other organizations in the community to do so as well.

**Ethical**

Some respondents stated that ethical responsibility went above and beyond merely following the law. Respondents’ statements: “to better assist its society to function at the highest level,” “should set standards for behavior,” and “to treat our constituents with dignity and respect” suggest a general sense of values/ethics that businesses should follow. This duty for social responsibility is an organization’s obligation to conform to the generally accepted ethical norms of business in their environment not codified in law (Godfrey, forthcoming).

The ethical concern that was noted most frequently was performance-enhancing drug use. One respondent stated: “Drug use among players and the concept of sportsmanship. Both have the ability to become hypocrisy.” Another significant ethical concern in sport is player behavior, or “player conduct on and off the field.” Similar terms, “sportsmanship” and “player role models,” both deal with how players behave. One respondent listed “athlete’s image and how it is translated to young people” as one of his primary ethical concerns in the sport industry.

The ethical dimension of CSR, as Godfrey (forthcoming) suggests, may represent

…an apology for socially negative byproducts, a palliative offered by corporations (or sports entities) to counteract a number of social harms…. Indeed, CSR can be viewed as blood money to atone for past sins, or as image production and projection that masks naked self-interest. For the hopeful, CSR presents an opportunity for corporations (and sports entities) to 1) reconnect with its espoused values …, and 2) reflect a concern for social issues and leverage their favored institutional status in helping resolve problems and alleviate human suffering. (p. 4)

**Legal**

Though not as prevalent as the philanthropic or ethical categories, respondents also mentioned a direct legal association within the CSR framework, mostly with regard to employment practices. Like ethical responsibility, following the law is discussed usually only when it is broken. Thus, teams may view legal responsibility as a given because little choice or discretion is allowed.

**Stakeholders**

The final category which emerged from the data was the view sport executives had regarding the relationship between CSR and stakeholders — either as responsible for delivering CSR efforts or directly benefiting from them. This category is related to the partnership category in that external stakeholders such as nearby nonprofit and local community organizations are often the recipients of a team’s CSR efforts. At the same time, however, this category includes employees, the athletes, fans, corporate sponsors, and other groups that are involved for a sport franchise to exist and prosper. Freeman (1984) argued that organizations need to pay attention to these stakeholder groups in order to effectively implement their strategies. Thus, a broader view of where sport managers should focus their attention (i.e., beyond the action on the field) appears to be a consideration of the executives in this study.

**Discussion**

Overall, the findings from this research suggest that professional sport executives approach CSR in a community-oriented, collaborative, and strategic manner in order to achieve their ethical, philanthropic, and legal responsibilities. The agents and beneficiaries of this social responsibility are both the internal and external stakeholders, that is, employees, athletes, fans, customers, corporate sponsors, and local communities. The quantitative findings provided an overview to understand how CSR is perceived and practiced in sport. While the low response rate limits the generalizability of this study, certain inferences
may still be drawn. The findings provide a context for understanding perceptions and preferences of CSR among executives in the professional sport industry and allow us to speculate and recommend potential areas of further exploration.

Perhaps the most interesting relationships we uncovered in this study are those between the organizational variables investigated and CSR perceptions and reporting. It appeared that the relationship between winning and reported involvement in CSR activities, while only marginally significant, may be important to consider further. If executives use CSR for strategic purposes, a team that is successful on the playing field (or perhaps in other aspects of their business) may not need the image-enhancing function or community relationship building that socially responsible efforts might provide — executives may feel that their performance on the field is sufficiently providing these benefits to the organization. Alternately, a losing team might want to maintain their name and brand in the community in which they operate, and may use the CSR function to do so. This appears to be in line with the findings from the rankings of CSR priorities; that is, those executives who placed more of a priority on ethical/philanthropic CSR came from teams with lower winning percentages, suggesting that perhaps CSR is being used as a tool to enhance team/brand image in communities in which teams operate. From a revenue perspective, it appears that teams that earn a higher revenue report slightly more involvement in CSR. Sport executives might feel that, with more money potentially available for business functions, more can be budgeted for CSR-related initiatives for their team. As Buchholtz et al. (1999) reported, resource levels appeared to be a significant determinant of corporate philanthropy — and similar interactions may be occurring in the sport context with respect to CSR involvement. The team value variable merits further consideration as well. Since team value is perhaps a more stable indicator than yearly revenue, it could be speculated that higher-value teams might consistently be more involved in CSR initiatives in their communities.

Of particular note in this study is that Carroll's hierarchy of CSR responsibilities appears to be different in the sport industry. In this study, ethical and philanthropic responsibilities were viewed as most important, followed by legal, and economic. To a large degree, this hierarchy makes sense for the current context of the sport industry. It is no surprise that ethics were top of mind for teams when all four leagues were trying to overcome recent allegations of unethical behavior. For example, in MLB the suspicion of performance-enhancing drug use among many of its players has forced the league to defend its policies and practices at congressional hearings. The NBA may still feel the repercussions of the negative effects after several of its players began fighting fans at a game during the 2004–2005 season. The league recently enacted a new dress code and age requirement for players entering the league, which critics believe is part of the league's strategy to create a better overall image after the fight (Steele, 2005). The NFL, too, has had to deal with recent ethical issues among players and administration. Allegations of teams spying on each other to gain advantage on the field have negatively affected the league's image (Iyer, 2008) as has the off-field behavior of many of its players who have recently been questioned (e.g., drug use, dog fighting, and arrests) (Maske and Carpenter, 2006). Finally, the NHL's lockout and season cancellation in 2004–2005 left many fans wondering if players and owners cared more about money than they did about the game itself. These timely problems may explain why respondents said they valued ethical responsibilities so highly.

Given the rise of recent ethical concerns, it makes sense that philanthropy is also top of mind for professional teams at the moment. Respondents indicated that many teams react to their ethical concerns and problems by initiating and promoting philanthropic activities. It appears that teams may be making efforts to combat negative or unethical activities with philanthropy. While charitable activity may not directly address many of the ethical concerns identified above, it may serve as an avenue for reputation management. The sport executive respondents appeared to pair these two social responsibilities together.

Finally, with respect to the perhaps somewhat surprising results on executives' responses to the issue of economic responsibility in this study, this merits further discussion. In this study, it appeared that the respondents did not feel that profits were the most important part of their business. We speculate that the respondents may have answered questions within the framework of CSR, which may explain
why financial considerations were not weighed as heavily, and that the purpose of the CSR function for these sport executives might not necessarily be to provide the team with an additional way to directly impact the bottom line, but rather serves an alternative function for them (image enhancement, reputation management – although these two functions may be considered a route to economic gain on their own). The respondents that participated in this study were community-relation executives and owners, and we may have seen potentially different responses from general managers, CEOs, COOs or other team executives focused on other aspects of the sport business. Many owners possess teams as a “hobby” more than as a business venture, although this notion has been changing of late as more teams are now becoming focused on earning a profit (O’Brien, 2002).

Conclusion

This study provided initial insights into how sport executives view CSR in their industry. It appears that sport organizations have unique concerns and considerations in the practice of CSR. Ethical issues and philanthropic contributions appeared to be the most significant within the CSR context for the respondents of this study. Evidence provided by qualitative measures helped to support these arguments.

This research may have implications for practitioners as well as serve as the jumping-off point for future research. We first discuss opportunities for examining CSR in sport and what such explorations could contribute to our theoretical understanding of the topic.

Given the concern for and importance of the image of the brand in professional sport, the connection between “doing good” and the public relations function of teams and leagues could be explored. A relevant concern for practitioners might be how to measure the impacts of negative events on an organization and the extent to which CSR, public relations might serve to enhance that image. Some research exists in this area currently, examining cause-related marketing efforts in sport (Irwin et al., 2003), however little exists on the topic with respect to CSR.

Another interesting research question could explore the diffusion of CSR practices in professional sport. From our findings in this study and our experience in the field, it appears that teams across leagues all engage in similar CSR activities and practices with primary focus on youth, education, health, and community. As some of these areas are beyond the “core competencies” of sport teams and leagues, a relevant dimension to explore would be the institutionalization of these practices in sport.

With respect to the finding of this study that there may be a relationship between how CSR is practiced and the success (i.e., winning percentage) of the team, a deeper examination into this relationship is merited. Further research could explore the impact of participation in playoffs or championships on a team’s CSR involvement.

Finally, given the espoused priorities for CSR and the relevance of the role of stakeholders and local communities in cities in which teams operate, a potential area to explore is the effects on a community when a team relocates, and further, the extent to which the departing team might still feel responsibility to that community.

For practitioners, a primary concern is whether the costs outweigh the benefits in CSR. Having a clear understanding and definition of CSR in sport would aid in the evaluation of such efforts in organizations; it is easier to measure something which is clearly defined and understood.

Corporate social responsibility in the sport industry, while clearly a business priority, appears to be distinctive. Is this because the business model is different in sport, or could it be that CSR is changing in other industries as well? This study has opened the door to more questions pertaining to CSR, justifying that the issue continues to grow, evolve, and necessitate additional examination.

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