Ethical Failures in Sport Business: Directions for Research

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Abstract

Ethical miscues in the 21st century sport industry are more prominent and deliver greater impact than ever before. News outlets now offer programming and content sites specifically dedicated to tracking ethical failures that occur “Outside the Lines.” Unfortunately, this unparalleled media exposure aggressively paints sport heroes and the organizations they represent in shades of bad, ugly and reprehensible, replete with distressing coverage of questionable deeds and shameful failures. Negative fallout in sports often becomes the marketer’s responsibility when they are called upon to resolve the damage created for their brand. But is there a remedy here? This article takes up this challenge and discusses the nature of ethics in sport business. A literature review is used to refine 15 directions for research that address three related areas. Essentially, these questions (1) the nature of ethical misconduct in sport business and why it can become an important public issue, (2) what it means for a sports marketer to be ethical (i.e., do good), and finally (3) how social expectation and personal conscience play a role in determining responses to ethical dilemmas that practitioners face.

Introduction

It seems odd to observe how some journalists and sport executives are quick to glorify athletic success, laud financial acumen, or praise academic excellence, yet all-too-often draw back from considering performance in the realm of ethics. Arguments that our ethics are strictly subjective or a personal matter may dissuade some sport industry practitioners from evaluating poor choices. Nevertheless, public judgments of misconduct regularly surface in the press with very real financial impacts on stakeholders and those affiliated with infringements brought on by players, sponsors, teams or leagues (Goodstein & Wicks, 2007). Significant attention documents the positive impact ‘socially responsible’ actions have on a sport organization’s reputation and sales (Stinson & Pritchard, 2013; Walker & Kent, 2009). Yet work that tackles ethical failures and their negative impacts is lacking from the sports marketing literature. This deficit is surprising given important links between financial performance and a company’s commitment to ethics (Verschoor, 1998) and the collateral damage irresponsible actions have on the reputation of stakeholders and other brands in the marketplace (Laczniak, Burton & Murphy, 1999).

Historically, research on ethical problems in mainstream marketing has attracted a healthy degree of attention. Some critique the sufficiency of the work done due to a lack of theory or systematic inquiry. However, these limitations have not slowed multiple streams of inquiry from developing. Various studies have attended to (i) the translation of ethical theories from philosophy to marketing, (ii) models of ethical decision-making in marketing, (iii) reports on how various groups view ethical/unethical practices (e.g., sales, advertising), and (iv) ways marketing managers train employees for ethical dilemmas (Hunt & Vitell, 1986). Despite these efforts, work in sports marketing on these types of ethical issues remains largely undeveloped. This propels the need for the current paper which uses a review of the literature to clarify the matter further, note deficiencies and underscore directions for research.
Drawing from Aristotle’s view of ethics, some marketers contend virtue and good conduct arise from habits acquired by repeated action and correction (Williams & Murphy, 1990). Sir Francis Bacon (1625) took the same stance when he observed “our abilities [were] like natural plants that need pruning by study.” Perhaps it is a lack of “study” that has led to the current dilemma, where despite capacities for good, ethical failures continue to plague today’s sport business landscape (Burton & Howard, 2013). Either way, the issue is particularly relevant to marketers in sport organizations whose marketing budgets are small and rely on the buzz of mass or social media to convey their brand message. When times are good, media coverage will praise heroic performances and present the athletes, team, league or sport favorably. But public media are encouraged to be objective. This frequently means covering and investigating negative stories as they develop. Sport marketers rarely want this coverage, yet feel helpless to prevent such occurrences. When ethical breaches happen marketers are often left to scramble, losing the ability to act strategically. In short, they become reactive and are restricted to damage control.

Similar to the conundrum facing sports, higher education has also been reacting, scrambling for a remedy to what many see as “a widespread decline in ethical standards” (Willard, 2004). But is there a solution? Aristotle’s pronouncement of practice appears to make ethics intensely practical, a lot like how we refine or improve our athletic or intellectual abilities. However, Dallas Willard, longtime professor and former chair of Philosophy at The University of Southern California, thinks there is more to it, that it is not just a lack of practice but of moral knowledge itself (Willard, 2004). He likens the problem to an incident several years ago when a fighter pilot executing a stunt failed to determine which way was up or down. Gravity, the usual reference point, was nullified by the speed of the performance and as the plane emerged from an inverted roll, the pilot confidently turned the jet’s nose straight down and hurtled into the ground.

Ethical transgressions in sport can suffer from a similar lack of knowledge over up or down. Events can unfold rapidly in the industry and cloud one’s sight of what to do and what not to. Take the recent example of the National Football League’s (NFL) New Orleans Saints and the “Bountygate” that rocked professional sports and damaged the reputations of the NFL and its commissioner, the Saint’s championship coach, and numerous players from the team. Revelations by the press that players purposefully tried to injure their rivals was a sport marketer’s nightmare, not only for the league but also for sponsors, broadcast partners, and advertisers (Marvez, 2012). Most if not all of these organizations were forced to react to the negative coverage of the event and their association with the team was tarnished by the actions of few. It seems apparent that ethical failures in sport result not just from a lack of knowledge but also of character, when those representing the industry ignore what is right and head down “low” roads that seem expedient. Marketers define such breaches as “ethical egoism” (Hunt & Vitell, 1986, p. 6), where individuals promote their own good first (i.e., win or sell by any means).

An another example of confusion in doing right revolves around sanctions, a two-year bowl ban, and the loss of 30 player scholarships that the National Collegiate Athletic Association (NCAA) imposed on the University of Southern California (USC) after a player’s family received support from an agent. According to the most recent court judgment, the case made by the body against an assistant football coach, and thereby the school, had no proof and relied on unsubstantiated comments of one agent against USC’s coaching staff. Zealous yet misguided work by investigators to censure wrongdoing led to a ruling of malicious conduct against those same enforcement officials (Nocera, 2012). It appears doing right became complicated for the NCAA when they lost their bearings and allowed conjecture to trump a key rule, the presumption of innocence. A former coach, who led USC to two national championships and seven championship (BCS) games, repeatedly argued that the NCAA “made a terrible error” and treated USC unfairly and irrationally. According to Coach Carroll, the school was unaware of wrongdoing: “Had we known, I like to think we would do the right thing....have stopped everything and fixed it by doing what we should have done. But unfortunately, because we didn’t know, the university got killed over the deal,” (ESPN, 2014).

Pleas of mea culpa over ‘not knowing’ seem inadequate in light of expressly partnering with an association tasked with assessing compliance. The burden here lay with USC to proactively monitor compliance. Either way, the consequences of ignoring or being ignorant of right action are severe (Hughes & Shank, 2008). The governing body sacrificed its reputation as an unbiased guardian of collegiate athletics (Mutch & Aitken, 2009), while the university forfeited post-season sales and damaged its brand equity with sponsors, fans, and future recruits.

According to one commentator, moral knowledge of how to act or what “goods” we ought to pursue has largely been removed from the stage for any serious academic discourse (Willard, 2006). Yet some educators in athletics persist in promoting a discussion of standards. John Wooden, UCLA’s Hall of Fame basketb.
ball coach, advocates being ethically clear with his team: "I talked to the players and tried to make them aware of what was good and bad, but I didn’t try to run their lives" (Wooden & Jamison, 1997). Unfortunately, others overlook the role of ethical advocate, and limit instruction to ways of thinking or deliberating (Ferrell et al., 1989) rather than ways we should go.

Essentially ethics concern judgments about whether human behavior is right or wrong. Some distinguish ethics from morals by defining ethics as the principles or ingredients we cherish in conduct and hold morals to be specific standards of right or wrong we strive for in that principle. For example, the zero tolerance moral on the ethic of honesty is evident in Coach Wooden’s counsel to his players, “never lie, never cheat, never steal” (Wooden et al., 1997). When it comes to definitions, Hughes and Shank (2005) use several factors to help define the nature of ethical failures in sport. These include: (a) whether the action taken was either illegal or unethical, (b) involved multiple parties over a sustained period of time, and (c) whose impact affected the integrity of the sport they were associated with.

In the face of strong attention by the press, ethical infringements in sport do appear to be gauged and judged differently (i.e., held to a higher standard) than might be the case in other industries. Tougher scrutiny does seem warranted when the collateral damage of these breaches is significant and jeopardizes the reputation, credibility, and marketing platforms of a wider range of stakeholders. For example:

- Lance Armstrong’s doping decision cost him his titles, sponsors, and association with his own charity (Pearson, 2012).
- Tiger Woods’ deception “let his family down” and cost him fans and endorsements (Weber, 2010).
- Jerry Sandusky’s sexual abuse highlighted failures in Penn State’s chain of command which resulted in jail, litigation, and NCAA sanctions for the organization (Johnson & Stanglin, 2012; Burton & O’Reilly, 2012).
- George O’Leary and Sandy Baldwin were asked to resign after using false academic credentials to help them secure prestigious jobs at the University of Notre Dame and the United States Olympic Committee (Litsky, 2002).

These cases give some sense of the range of stakeholders and pitfalls involved in ethical failure but also lead to the first two directions for research. Although survey work on the nature of positive social actions (i.e., CSR) by professional teams has identified their range and frequency (Walker, Kent, & Vincent, 2010), the same is not true for negative events. Very little attention has sought to specify their nature. Hughes and Shank (2005) used ten depth interviews to identify ethical scandals that were top-of-mind in some fans, but a more comprehensive assessment is needed to delineate the range, frequency of breaches, and cost in recovery marketing expenditures across different sport organizations or leagues (Hughes & Shank, 2008).

RQ1: What categories or types of ethical failure appear most frequently in professional sport?
RQ2: Which types of ethical failure have the most impact for teams or leagues or pose the greatest threat to stakeholders?

Ethics in International Sport

While the nature of ethical breaches in sport varies considerably, they are not limited to one country or culture, nor are they taken lightly. Take the range of penalties for cheating (i.e., drug-enhanced performance) applied by the Australian Football League to one of its clubs (Donovan, 2013). Despite the resignation of its CEO over a player supplements program that injected players with banned substances, the league penalized Essendon with a $2 million fine, suspended its coach for a year, removed the team from post-season play, and eliminated future draft picks (McFarlane, 2013). In the US, nothing less than a congressional hearing was convened to discuss another sport’s rampant use of steroids. A December 2007 report prepared by former Senate Majority Leader George Mitchell detailed baseball’s troubling drug culture and named 85 current and former players linked to performance-enhancing substances. Included were heroes of the game Roger Clemens, Barry Bonds, Miguel Tejada, Andy Pettite, and Eric Gagne, to name a few. Government censureing of drug-enhanced performance activities followed, forcing Major League Baseball (MLB) to confront its past and rethink its future (Sheinin, 2005).

From a marketing standpoint it becomes clear that senior MLB executives have long known players were using performance-enhancing drugs. Despite repeated signs, lack of action on their part increased the damage to the league’s reputation, with fallout still being felt seven years later in 2014 when Alex Rodriguez of the Yankees was profiled in a televised CBS investigation on 60 Minutes. Suspending one player for a year has not restored the credibility of MLB, the commissioner, or the team. In marketing terms, the recovery costs of restoring the reputation of the brands involved is significant. The negative image transfer (Gwinner & Eaton, 1999) and lost marketing opportunities tarnished brands experience are difficult and expensive to offset.
Doping scandals regularly plague other sports and according to some experts constitute one of the industry’s major threats (Back, Blatter, & Bughin, 2004). Armstrong’s recent fall is one of many over the last 15 years for the Tour de France (CBC News, 2012), which constantly battles accusations of doping (Patrick & Esterl, 2007). Thousands of years earlier, other European administrators tried to avoid claims of performance-enhancing substances by sequestering Roman athletes at games for months on a strict diet. Recurring storms like these appear to support one ancient observer’s view on human nature, that there really is nothing new under the sun, “that what has been will be again, what has been done will be done again” (Ecclesiastes 1:9, New International Version).

Graft is another global malady that threatens sport’s authenticity. For instance, India and Pakistan repeatedly face gambling and corruption scandals in their national pastime. Cricket’s biggest match-fixing scandal was unearthed in 2000, when one star admitted he had accepted money to throw matches. Players from other countries were soon implicated. Since then, allegations of fixing frequently crop up, as bookmakers and the underworld actively try to influence results (Gupta, 2012). Another classic example of gambling shaking the legitimacy of an industry occurred during MLB’s infancy. In an account published in The New York Times, Chicago White Sox pitcher Eddie Cicotte admitted he and several teammates colluded with a pair of professional gamblers to throw the 1919 World Series in exchange for cash. The eight players indicted in the “Black Sox” scandal were found innocent in court, but banned for life by baseball’s first commissioner, Kenesaw Mountain Landis. Seventy years later, Cincinnati Reds manager and former star player Pete Rose, baseball’s career hit leader, was banned from the sport for life for betting on his own team. Although Rose steadfastly denied gambling until 2004, apologizing for the breach has not moved him closer to the Hall of Fame (Daugherty, 2011).

The variety and severity of ethical misconduct across the global sports industry is perplexing, and goes well beyond infringements by athletes and coaches. However, no attention has been given to estimating the nature of these threats. Marketers regularly take stock of internal resources and external contingencies when setting strategy (Cousens, Babiak, & Bradish, 2006). While an ethical audit can offer an internal view of your organization’s strengths (Arlow & Ulrich, 1980), an external analysis of a new market’s ethical characteristics becomes particularly germane when leagues are considering international expansion. Building from initial questions that examined type and impact, the third direction for research addresses the incidence of ethical misconduct internationally and asks if some cultures or sports are more prone than others.

RQ3: Do some types of ethical failure appear more frequently in some international markets (sports or cultures) than others?

Lacznia, Burton, and Murphy (1999) believe developing areas of marketing and business, like professional sport, often face challenges over setting a course for ‘right’ practice. Obviously, poor ethical judgments can occur at various parts of the sports marketing mix (e.g., price, promotion) but in a sales-intensive industry, sales personnel may be particularly vulnerable to ethical pressures (Schweiker, Ferrell, & Ingram, 1997). Surveys of other industries indicate this might be so (Izzo, 2000). One report from 200 sales managers detailed several ethical tensions their ‘reps’ faced when trying to close business (Marchetti, 1997):

- 49% of surveyed managers say their reps have lied on a sales call.
- 34% say they’ve heard reps make unrealistic promises on a sales call.
- 22% say their reps have sold products their customers didn’t need.
- 30% say customers have demanded a kickback for buying their product or service.
- 54% say the drive to meet sales goals does a disservice to customers.
- 27% say they have caught employees cheating on an expense report.

The examples offered so far indicate that coaches, players, and management all make their share of ethical blunders, but does a particular part or level of the sport enterprise run a tougher course than others or have a greater capacity to damage the brand’s relationships? Consider the recent example of an NFL team owner’s scrutiny following a substance abuse charge (Evans & Alesia, 2014). The Indianapolis Colts owner is facing a commissioner known for his hard line on player behavior. Sports ethics experts argue league policy explicitly holds that the rules apply to owners too. But should those in leadership be held to a “higher standard”? Certainly the impact of leaders failing negatively impacts beyond the team on a wider range of stakeholders. Yet little work in sports has determined whether visibility of one’s role in an organization alters the potential magnitude of an ethical failure. This supports the following directions for research:

RQ4: Are some jobs or levels in the sport organization more prone to ethical failure, and

RQ5: Do ethical failures in more prominent roles within the sport organization incur greater injury to its brand message and credibility with its customers?
Although some questions are interesting, is there any practical significance to the matter? Why should we care if people, regardless of their job title, fudge on principles? What's the big deal? As one country's leader noted, (Coolidge, 1925) "the chief business of the [American] people is business," right? This matter questions why ethical conduct by personnel in sport organizations is a vitally important consideration for sports marketers.

### The Importance of Personal Ethics in Sport

Two broad reasons are offered below to explain why strong personal ethics are essential for those working in the business of sport. The first deals with an organization or industry's expectations of potential employees wanting to work in the profession, and the other, public expectations of those representing the industry.

**Good Organizations Need Good Employees**

First, we need to review the notion that businesses only become “better at doing good” in a top-down manner (Bhattacharya & Sen, 2004, p.9). Yes, ethical leadership helps (Johnson, 2009), but it is a two-way street (Goodstein & Wicks, 2007). Good organizations are very much dependent on securing ‘good’ employees. The reverse idea that ‘good organizations can make people good’ may prove to be a time-intensive liability for management, as the personal ethics of ‘untrained’ employees can taint public perceptions of an organization’s reputation and their ethical initiatives (Mutch & Aitken, 2009). Thus to some degree, the ship may only be as good as her crew. This explains why HR professionals often act as ethical matchmakers, testing applicants to see if potential new hires fit and believe in the ethical culture of an organization. Ranked in Fortune’s “100 Best Companies to Work For,” Seattle-based REI (Recreation Equipment Inc.) is a good example of this. The company explicitly communicates their ethical culture up front and recruits those who identify with it (statements from website shown below):

**Company Statement**: REI's culture, the heart of our work environment, is one that supports our values as well as our business goals. It's one of the primary reasons why people come to work for us. They want to be part of the special place known as REI.

**Employee Comment**: I tell my friends that working at REI is a lifestyle. It's about what you believe in and what the company stands for—service, adventure, community, integrity and balance. I love my job, and I’ll be younger because of it.

(Rei, 2012)

Another approach to ethical fit tests applicants. Shown below are questions one global HR firm uses to examine the ethical fit of its sales applicants (Marchetti, 1997). These tap the nature of a sales manager's ethical response to different situations:

(i) While speaking with a sales manager at a competitor's trade show booth, you spot a hard copy from the competitor's database listing 100 qualified leads from the show. You can slip it into your briefcase easily, and no one will see. What do you do?

(ii) You're on a sales call and a key customer from a Fortune 500 company says she won't buy from you unless you match a competitor's offer. The competitor's offer includes a 10-day trip to Hawaii for her and her husband. What do you do?

(iii) After meeting with a customer you discover a competitor has lowballed your offer by 15%. This competitor has a reputation for offering the lowest possible price, but failing to provide an acceptable level of service. Do you warn the customer, attempting to move him toward your offer, or walk away from the business, hoping he'll find out for himself and choose your company in the future?

(iv) A few months after joining the company your colleagues tell you about a Diner's club card that gives 20% cash refunds at certain restaurants. Easy money, especially if you're just beginning to establish a territory. Since the company encourages entertaining, the salespeople reason, why not take clients to those restaurants and pocket the refunds? It won't cost the company any money. Do you join in?

Recruiting however, isn't the only place personal ethics are in the spotlight. Sport businesses also monitor the actions of current employees and in some cases hold zero-tolerance policies toward certain ethical breaches. A well-known example of this occurred in the NBA with the transfer of Jason Kidd from the Phoenix Suns to the then-New Jersey Nets. The move came the day after a domestic violence response at the player’s home and reflected an ethical commitment by Suns management to overcoming what the franchise believes is a "societal problem" (NBA, 2001). Hiring the ‘right’ people is one way organizations can avoid some unexpected bombshells and the negative PR that ends up tarnishing the brand. Some believe the Salt Lake City bribery allegation against a 'once-pure' Olympic movement reflected having the wrong people in charge, where management was concerned “more about influence, power and perks” than the organization's reputation (Burton & Howard, 2000). Although some firms demonstrate a strong commitment to hiring or retaining people whose ethical values fit their...
culture, what makes up or prioritizes these ‘goods’ often varies across teams or leagues (e.g., Walker, Kent, & Vincent, 2010). In this sense, research could canvas ethical ideals sought across sport organizations. Like other marketers (e.g., American Marketing Association, 2009), the benefit of doing a review in sports is that it can set targets and raise awareness for best practices across an industry.

Awareness of potential issues can offer a way for organizations and leagues to be proactive in pre-empting matters before they become issues sport marketers are forced to address. For example, the fallout from the NFL’s Miami Dolphins bullying scandal involving players revealed that neither the team or the league were prepared for the amount of negative media coverage associated with this lack of institutional protection for employees (Eder & Shigley, 2014). The troubled relationship with the team drew national scrutiny and stirred considerable debate about bullying in the workplace. Unfortunately the problem for some sports executives is failing to see such cases as a breach of ethics rather than just a product quirk that will resolve itself once the team wins or reaches the playoffs. The flaw of this thinking from the sports marketer’s perspective is that it is strategically short sighted. Product myopia in sport organizations can mean the sports marketer has failed to adopt a customer-centric view of the ethical breach and its impact.

RQ6: What ethical “best practices” appear regularly in organization, team or league, codes of conduct?

RQ7: What ethical scandals have led to changes in club or league codes of conduct?

High Credence Services & Social Expectations

Some wonder why strong emotional responses arise from stakeholders when ethical breaches occur in organized sports. For many patrons and sponsors, strong attitudinal responses to these negative events result from a perceived betrayal of trust. Expert service providers like doctors, lawyers, accountants, and sport business professionals are subject to high-credence expectations from their stakeholders. Credence means trust, and services high in this usually are difficult to evaluate. They contain a level of uncertainty or risk and have high expectations over the nature of the specialized performance being rendered (Mitra, Reiss, & Capella, 1999). Parasuraman and his colleagues (1985) found services with high expectations for credibility involved stakeholder hopes of trustworthiness, believability, and honesty in their service provider. The bulk of these qualities drew largely from customer perceptions of behavior of the firm’s personnel. This means that if stakeholders feel connected with sport business-es they will have high credibility expectations, and that ethical breaches by the organization’s personnel will often result in disconfirmation of those expectations and strong emotional responses (Eisingerich & Bell, 2007). An example of this type of response occurred in one corruption scandal when survey findings by a non-profit sport organization’s official sponsors indicated 20% of consumers had not only lost faith in the organization but also in other companies affiliated with it. Public disappointment with the failure fueled emotional responses where non-purchasing of sponsors products allowed them to voice their dissatisfaction (Burton et al., 2000).

More so that other industries, management and other professionals in sport, such as athletes, tend to operate with earned ‘credentials’ or performance track-records that inspire us to trust that they will do right by the brand or product, team, or sport. Usually that performance is judged on the field of play (i.e., the core product). But because many are highly involved and feel a kinship to the sport itself, there is a strong expectation that performers and the service organization itself will represent “the brand” well off-field. Professional athletes both embrace and dismiss the idea of serving as trusted representatives.

Featured in a Nike commercial, Charles Barkley’s now famous comment, “I’m not paid to be a role model. I’m paid to wreak havoc on the basketball court,” still stirs considerable debate over what should be expected from our on-field heroes off the field. Fellow league MVP Karl Malone disagreed with Barkley and Nike’s view on this, commenting, “I don’t think it’s your decision to make. We don’t choose to be role models, we are chosen. Our only choice is whether to be a good role model or a bad one” (Newsweek, 1993). In a different sport, golf is filled with ‘elder statesmen’ and ‘spokesmen’ who seem prone to hold their representatives to a higher standard. This expectation partially explains the strong emotional response many offered about Tiger Woods’ fall, that his breach of trust injured more than just his family. However, if the position of the sport marketing executive is ethically myopic, that “this happens all the time in sports,” rather than proactively adopting a wider stakeholder view of the issue, then the sport organization risks negative coverage and limits strategy to a reactive response to the crisis. Typically passive, delayed responses to ethical failure increase potential damage to the brand and its recovery marketing costs.

Unfortunately, ethics researchers report that passive leadership occurs all too often, that “in many cases, managers choose to do, go along with or ignore the unethical...because they want to avoid the possibility of punishment” (Stead, Worrell, & Garner-Stead, 1990, p.236). Clearly, not acting does constitute a manage-
ment decision, and omitting responsibility can end badly for sport organizations (e.g., Perez-Pena, 2012). Sales and marketing opportunities vanish, manpower and marketing budgets are redirected, and business relationships undermined or lost.

Civic Benefits and the Public Trust

The aspirational benefits of sport can motivate some stakeholders to respond strongly and object loudly when the integrity of games we play is tarnished by ethical failure. In this sense sports can be a highly valued social force that serves as a type of public trust, where breaches threaten the institution’s impact as a proving ground for training younger generations, a vehicle for physical and mental health, or as the means for building bridges with other countries via Track Two Diplomacy (McDonald, 1991). Several historic movements reflect a serious concern for the ‘right’ use of sport, from Chicago’s Playground Movement in the 1900s that sought to preserve the health and moral fiber of inner city children through sport (McArthur, 1975), to Muscular Christianity in the British Victorian era, which connected physical health and training with Christian ideals of service and the common good. Both of these historic endeavors have attracted renewed interest. Athletic teams and professional leagues have funded playgrounds to promote physical fitness (e.g., NBA Cares program; Lombardo, 2010), while popular athletes such as Tim Tebow, Jeremy Lin, Mariano Rivera, and Brazilian soccer superstar Kaká have reignited discussions over faith, moral fortitude, and fitness (Christianity Today, 2012). Another example of sport serving as a vehicle for character development is The First Tee, whose core values (Honesty, Integrity, Sportsmanship, Respect, Confidence, Responsibility, Perseverance, Courtesy, and Judgment) and mission as a nonprofit sport organization explicitly note the character traits they hope to develop in inner city youth through exposure to golf (First Tee, 2012).

First Tee’s Mission Statement: To impact the lives of young people around the world by creating affordable and accessible golf facilities to primarily serve those who have not previously had exposure to the game and its positive values.

Significant Meaning, Inspiration & Involvement

A final reason behind why strong emotional responses may follow ethical failure is that many people ascribe extraordinary meaning to the leisure experiences they derive from sport (Gibson, Willming, & Holdnak, 2002). No matter whether they are running rivers (Arnould & Price, 1993) or going to games with grandparents (James, 2001), sport enthusiasts can develop great attachment to sport-related products and brands (Bristow & Sebastian, 2001). Some believe that participants connect themselves (become ego-involved) with entities they feel strongly about (Cialdini & De Nicholas, 1989), and that this symbolic attachment prompts a strong emotional response or defense (CORFing: cutting-off-reflected-failure; Snyder, Lassiegard, & Ford, 1986). If we’re involved in this manner, our commitment prompts us to deflect or distance ourselves from the negative side of ethical breaches, whether these infringements are through employees, athletes, or those acting as representatives of the sport. Akin and equally significant is the transcendent meaning some draw from sport. There are times when we witness remarkable events on the field of play that transcend the ordinary and lift our sense of humanity beyond ourselves. Novak (1994) provides a compelling account of Jackie Robinson, who broke baseball’s color line as the first African-American to play in the major leagues with the Brooklyn Dodgers. He describes Robinson stealing home in the late 1950’s, where in a single instant his athletic feat moved the whole stadium to their feet. What he did that day inspired all, regardless of creed, color, or club.

A more recent example of sport’s ability to inspire occurred on a softball field in 2008, when a crippling knee injury left a University of Western Oregon player stranded, unable to round the bases under her own power after hitting a home run. Faced with playoff elimination, two Central Washington players, Mallorie Holtman and Liz Wallace, carried their opponent, Sara Tucholsky, the rest of the way so her home run would count. Witnessed by perhaps a hundred people, this image of sportsmanship went viral across the country (Hays, 2012). Later that year all three were accorded national acclaim for the event and honored with a ‘Best Moments in Sports’ ESPY award. Perhaps the most compelling testimony that day came from Central’s head coach. He wept. With the season on the line, his players acted selflessly. On the stage of high pressure performance, how much brighter does the light of a good deed shine? It is this larger sense of sport, its wonder and ability to inspire, that has some willing to object when they see poor behavior exhibited. Standards of conduct are important to many sport enthusiasts, and tend to stress means (how we act) over ends (what results) in judgments over what is fair or reasonable. Rice (1941), a celebrated sports writer, aptly relates his view of ‘fair play’:

For when the One Great Scorer comes to write against your name,

He marks not that you won or lost but how you played the game.
Three questions below capture the gist of this section on public expectations and responses to ethical misconduct in sports. Depending on their social prominence, some hold certain sports to be more important (e.g., President Hoover felt “that next to religion, baseball has furnished a greater impact on American life than any other institution;” Novak, 1994). Sports with national significance or of greater importance to people induce higher expectations and draw stronger reactions when breached. However, whether public expectations and word-of-mouth (WOM) responses to positive or negative publicity vary over time or by locale is yet to be determined (Funk & Pritchard, 2006). Little work has been done with sport consumers to compare the magnitude of responses to “good” or “foul” deeds. Accounts from other industries indicate positive WOM reports sway behavior more so than negative reports (East, Hammond, & Lomax, 2008). Yet, the comparative strength of ethical events to stir WOM in sports is yet to be gauged.

RQ8: When it comes to ethical misconduct, which value or motive most frequently underlies strong public credence expectations of a sport?

RQ9: Does the consumer public place a greater sense of trust or hold higher credence expectations of some sports than others?

RQ10: Do high credence expectations for a sport lead to stronger emotional or behavioral responses on an ethical issue by the consumer public (e.g., social media use)?

RQ11: What is the strength of consumer WOM responses to good and bad ethical events in sport?

The Nature of Personal Ethics

Two well-known camps exist on the nature of ethics and decision-making. Deontological ethics (DE) maintain that moral standards about the right or wrong of an action depend on its intrinsic qualities, not on the nature of its consequences. Like Rice’s comment on fair play, this means that some acts are viewed as morally wrong in themselves (e.g., lying to ticket holders, breaking a promise to sponsors) and often applies to moral rules like “do not steal” or “do not cheat or lie.”

Diametrically opposed to DE’s focus on means, Teleological ethics (TE) describe ethical duty in terms of what is valuable as an end. For example one TE theory, Utilitarianism, holds that the right ends consist in what is best for all concerned (e.g., that no matter how we sell all the seats in the house). According to some marketers, Virtue Ethics (VE) constitutes a third major approach that falls somewhat outside the traditional

Figure 1. Kohlberg's Stages of Moral Development
TE/DE dichotomy. In VE the right or wrong of our action (or inaction) rests on its connection to an end with intrinsic value. However, right action also constitutes an end in itself and cannot simply serve as a means to that end (Williams & Murphy, 1990). VE focuses more character traits than the enumeration of duties. It can be described as a kind of moral excellence that targets key virtues like patience, courage, or honesty in our activities. These often populate the mission or vision statements that sport organizations use to guide their approach to business (Hursthouse, 1999).

**Ethical Formation**

When faced with questions on how ethical standards develop, one way to think about it is by comparing the matter to the development of athletic skills. For instance, Dan O’Brien, one of the most successful decathers in the world and an endorser or Reebok products, had a particular approach to training that serves as a useful analogy. O’Brien won Olympic gold in the event during the summer of 1996 in Atlanta, and followed that with three consecutive World Championship titles. In a recent interview, O’Brien described the training mindset needed to build a complex set of skills in ten different areas: (i) a range of preparation strategies, (ii) the role of feedback (from a coach or mentor), and (iii) the importance of consistency and perseverance in training (Webb, 2012). To excel, decathers need a lot of repetition, heaps of skill training, and a willingness to push to the limit. According to O’Brien, tough competition and large audiences are daunting, but success comes when you truly embrace the challenge and give all you have to seeing it through.

Virtue ethics (VE) offer an interesting parallel to athletic training and preparation in as much as self-discipline and moral action are also within our power to perform or avoid, and that we can be held accountable for the consequences, success, or failure on the field of play. Plato and Aristotle support this, arguing that ethics are virtues of character or dispositions to act in certain ways. Their philosophy proposed that good conduct resulted from habits acquired through repeated action and correction. Perhaps the best known theory on how ethical principles develop in people comes from work by Lawrence Kohlberg. A developmental psychologist in moral education, Kohlberg used support from several studies to explain how people progressed in their moral reasoning (i.e., the basis they used for ethical behavior) through a series of stages. Tied to Piaget’s work, the theory describes three levels of moral thinking and six sequential stages people progress through in their deliberations (Kohlberg, 1971).

The first level of moral thinking usually operates at an elementary school level. Here ethical behavior follows socially accepted norms enforced by an authority figure that uses threat of punishment as a primary means to compel compliance. Stage 2 varies somewhat, for instead of avoiding punishment, right behavior is undertaken in order to secure one’s own best interests. The second level characterizes stages that are conventionally found in society. In stage 3, right action is prompted by a desire to do what will gain the approval of others, whereas moral thinking in stage 4 looks to abide by the law and feels obliged to respond out of a sense of duty. According to Kohlberg, the final level is one that the bulk of people do not reach. Stage 5 focuses on acting out of a sense of social empathy and a genuine interest in the welfare of others. Stage 6 stresses action out of respect for principle and conscience.

The theory holds that people progress or mature in their moral thinking but are restricted to moving sequentially through each stage. With this in mind, marketers and ethics trainers in organizations tend to use the discussion of moral dilemmas as a way to help marketing employees come to terms with better options at a higher stage (Ferrell, Gresham, & Fraedrich, 1989). Some researchers question the validity of Kohlberg’s theory. Concerns range from whether moral reasoning (what we say) and moral behavior (what we do) are consistent and if stage classifications are reliable a few days later (test-retest), to whether the theory accommodates differences in how women and men approach moral decision-making.

Quite a bit of research has been done on how the theory applies to business. Some studies observe that relying on rewards and punishments, “sticks or carrots,” for ethical conduct ends up leading employees to operate at Kohlberg’s lowest level of moral reasoning (Baucus & Beck-Dudley, 2005). This means reasoning at stages 1 and 2, where we adhere to rules only because we fear the consequences of getting caught. Some companies use moral imperatives to “do the right thing” or lay out explicit guidelines, such as codes of conduct with complex rules and regulations. Stated expectations of how companies want to operate are essential documents for sport organizations to include when training and guiding their employees. For instance, take the importance Nike’s CEO ascribes to playing “Inside the Lines,” the company’s code of ethics:

At NIKE, we are on the offense, always. We play hard, we play to win, & we play by the rules of the game. This Code of Ethics is vitally important. It contains the rules of the game for NIKE, the rules we live by & what we stand for. Please read it. And if you’ve read it before, read it again. Then take some time to think about what it says & make a commitment to play by it. Defining the NIKE
playing field ensures no matter how dynamic & challenging NIKE may be, our actions & decisions fit with our shared values.

(Nike Inc., 2011)

Regrettably, research indicates firms cannot rely solely on written statements to shape how people act (Adams, Tashchian, & Shore, 2001). Other strategies beyond admonishment or a ‘play by the rules’ book are needed to spark cognitive moral development in employees (Izzo, 2000). This might call for mentors or leaders within the organization, particularly sport marketers, to serve as positive role models for junior employees operating at Stages 3 and 4, as their ethical decisions tend to be swayed by the conventions of those around them (Thomas, Schermerhorn, & Dienhart, 2004). Understanding the nature of informal leadership within the culture of the organization and whether one casts “light or shadow” on the ethics of those around them is both challenging and needed (Johnson, 2009). No doubt this is why sport businesses like to build their roster of employees around strong, ethical ‘team leaders’ or ‘franchise players’ who will best represent the values of the organization. Take, for instance, the character ideals that the NFL SEATTLE Seahawks (winners of the 2014 Super Bowl) desire to cultivate in their organization (i.e., their DNA or Brand Essence=Passion + Character + 12th Man + Excellence):

Character describes the inherent set of qualities and features that determine the team’s moral and ethical actions and reactions; its moral and ethical strength; its good reputation. It is internal as well as external. It distinguishes the Seahawks from its competition. Character comes from players who have “football character”, meaning they love the game, they love to play, and they give everything they have.

(Seattle Seahawks, 2008)

Character obviously matters, and a small group encouraging the wrong traits can influence the ethical decisions of others in the organization in sometimes disastrous ways. Take the missteps of the NFL Vikings’ team leader in 2005, when he and three Minnesota teammates drew national attention for participating in a bawdy boat party (Campbell, 2005), or the “Bounty” scandal previously discussed at the NFL’s New Orleans Saints (Marvez, 2012). Unfortunately, organizations are vulnerable to being tarnished by the wrong actions and influence of a few employees. One solution is to conduct ethics education, where training interventions improve employee awareness and moral decision-making (Falkenberg, 2004). Although this is a good initial step, it is increasingly clear that ethical behavior is a complex matter that needs ongoing management in sport organizations.

Stead et al. (1990) provides a list of six mechanisms for building an ethical climate (Schweiker et al., 1997). Their first tool calls on managers to actively model, “walk-the-talk,” and behave ethically themselves. The second tactic calls for active screening of potential employees to assess ethical fit. The third approach argues for the organization to develop a meaningful code of ethics, while the fourth calls for ethics training that prepares a sales team or employees for the rigors they face. The final two tactics ask managers to consider reinforcing and rewarding ethical conduct, and then create mechanisms that monitor or deal with ethical issues. Although these tools give some guidance over what might be done, insights on which mix of approaches might best cultivate a strong ethical culture in organizations is needed.

RQ12: Which developmental mechanisms (codes, mentorship, ethical training, etc.) lead to developing a stronger ethical climate in a sport organization?

RQ13: How do responses to ethical dilemmas, ethical reasoning (what employees say) and ethical behavior (what employees do), change following exposure to different ethics mechanisms?

According to Kohlberg, fewer people undertake decision-making at the higher post-conventional level. Moral decisions here are more autonomous, as they are based on a set of universal ethical principles that enable the individual to determine what is right. This means employees at stages 5 or 6 may ignore ‘sticks and carrots’ or the conventions of the group (organization) in order to follow an ethical principle through because it is right to do so (Falkenberg, 2004). For instance, even though it was not conventional (the social or league norm) to recruit black athletes from the Negro Leagues, a basic principle of equality justifies the Brooklyn Dodgers’ decision to recruit Jackie Robinson. Another more current example of operating at this level occurred when a Walker Cup team member disqualified himself for an infraction during the first stage of the PGA’s Tour Qualifying School. Although his caddie said he never saw the leaf move, Barber still applied the penalty stroke to his score but later realized the correct penalty was two shots. His comments about his decision to DQ suggest a higher ethic at work. “I just did not have any peace about it,” Barber told the magazine. “I knew I needed to do the right thing. I knew it was going to be disqualification” (ESPN, 2012). Whistle blowing is a response where people call attention to an ethical breach by others.
within an organization. However, Barber's decision to blow the whistle on his own actions reflects an act of conscience that is laudable. Imagine if our actions in sport and business carried the same ethic.

**Classifying Ethical Dilemmas**

One way to view and understand ethical dilemmas when they arise in sport business is to classify them by considering the tension between two dimensions (Henderson, 1982): social expectation and personal conscience. Essentially, this questions if an action fits with social expectations (Kohlberg's Conventional Level in Figure 5.2) and “universal ethical principles” of conscience, Kohlberg' Post-Conventional Level (Falkenberg, 2004). The Social Convention dimension evaluates if the response meets the expectations embodied by different social groups a person is affiliated with (company rules, legal obligations, social mores & values etc.). Some argue that the other dimension of conscience uses principles of natural law to dictate values over what is right or wrong. These offer a set of moral norms that are “not merely the products or creations of subjective viewpoints” (Maciejewski, 2005) but act as an objective set of natural dispositions which serve as a deep internal conscience or moral regulator for telling right from wrong (Budziszewski, 2003).

Using the dimensions of Social Convention and Principled Conscience, Figure 2 shows four potential ethical classifications. Two of the outcomes, Ethical Failure and Ethical Leadership, reflect consistency between the two dimensions, whereas the other two responses reflect conflict (or interaction) in that either social convention or principled conscience is sacrificed in order to justify the action taken (Pritchard, 2006).

Examples of what these responses might look like can be drawn from previous discussions. For instance, the Lance Armstrong doping scandal or Sandusky and the response from Penn State University administrators would qualify as examples of ethical failure (Johnson & Stanglin, 2012; Perez-Pena, 2012). Instances of ethical leadership and principled conscience are evident in the actions taken by Barber in his willingness to disqualify during an event, or by the Central Washington softball players helping an injured opponent around the bases (Hays, 2012). It is more difficult to determine whether certain ethical dilemmas produce inconsistency between social expectation and principled conscience, given the intrinsic nature of whether one engages their conscience or not. An honest confession is needed. Perhaps some of the NFL players or coaches associated with the Vikings or the Saints and their ‘bawdy boat’ or ‘bounty’ scandals could be considered as examples of omission (Campbell, 2005), to the degree that they went along with others and the action despite conscience, knowing it was not ‘good’ or ‘right.’ Explanations of what might lead individuals to omit conscience vary. However, Bandura (1999) and others contend that up to eight mechanisms are used by individuals to rationalize moral disengagement and allow them to transgress moral standards without negative effects. Boardley and Kavussanu (2007) listed the mechanisms supporting moral disengagement as moral justification, euphemistic labeling, advanta-
geous comparison, displacement of responsibility, dehumanization, attribution of blame, distortion of consequences, and diffusion of responsibility, and provided sport examples for each.

Dilemmas of commission where the individual acts on conscience and conviction (Skitka, Bauman, & Sargs, 2005) are not necessarily wrong, despite the fact that the response will breach social expectation. For instance, stands of principle by the Dodgers and Robinson in breaking baseball’s color barrier can serve as examples of doing what is right despite running contrary to social expectations of the day. Potential conflicts can also occur when social expectations of a group are breached primarily in order to commission a principle of greater good. Whistle blowers on poor organizational practices might qualify as cases of this. Other dilemmas of ethical commission in sport business can result from religious adherents being unable to comply with social expectations due to personal beliefs (e.g., participation or work conflicts with religious observance). A classic example of this was captured in the film Chariots of Fire when national athletic hero Eric Liddle, the “Flying Scotsman,” refused on the basis of personal conscience and conviction to run on the Sabbath for the Prince of Wales and the British Olympic Team at the 1924 Paris Olympics (McCasland, 2001).

Despite these historical reflections on a range of ethical dilemmas in sport, little work expressly examines the nature of moral conflict or moral disengagement in sports today or delineates their impact for sport marketers charged with promoting those leagues, teams or players. Does this type of conflict (social expectation versus personal conscience) affect employee morale or performance, a person’s willingness to remain with a sport organization? Could public recognition of moral conflicts reduce ticket sales or make sponsors cautious of investing significantly? Such unknowns emphasize a need for research in the area. Inquiries along these lines may ultimately lead sport organizations to clarify their culture and the ethics that are essential for doing business as a team.

RQ14: Are there areas of conflict within sport organizations over what is expected of sport marketers and what they believe is right (personal conscience)?

RQ15: Are there specific types of moral disengagement that are used to justify forgoing conscience or social convention in dilemmas sport marketers face?

Conclusions

The social and economic cost of ethical failures in professional sport can no longer be ignored (Hughes & Shank, 2005). Nor can sport marketers assume that ethical failures create little or no residual damage to the brand and its various relationships. The magnitude of these ‘fractures’ compel serious consideration over what can be done to bolster ethical practices in employees and the organizations they work for (Hughes & Shank, 2008). Illustrating why we should work on improving our ethics, one CEO observed that:

it’s because of the need to balance the interests of various constituencies that business ethics are so vitally important. Ethics is simply and ultimately a matter of trust. People act in their economic self-interest. But a system based on that fact must also be grounded on mutual trust among individuals and among organizations. (Ferrell et al., 1989, p. 55).

A buyer needs to trust a seller; a sponsor needs to trust their endorsers.

Although some sport marketers argue that ethical remedies like oversight by governments or governing bodies can reestablish trust (Laczniak et al., 1999), formal intervention by Congress does not appear to have moved Major League Baseball or the sport industry itself any closer to a solution. Other marketers contend that answers can also be found in approaches that clarify a playbook of “ideals” that pursue virtues of a greater good (Williams & Murphy, 1990). One logical starting point for doing so means acknowledging that as sports marketing professionals we have yet to arrive at or develop ethically to the level we should. Admittedly, this stresses humility in an industry that thrives on achievement, but it also suggests that there are standards of “good” we should attempt to clarify and aspire to in our organizations. Despite the difficulty of working out “what personal “goods” might be called for in business, the labor and heavy lifting is necessary if sport organizations are to become the strong, positive force many stakeholders hope for and expect.

To help propel this discussion forward in the sport industry, 15 directions for research were tended. These questions seek to better understand the nature of personal ethics and provide some points of reflection over the ways sport marketers might think about the dilemmas they face in sport and business. By design, the work hopes to renew discussion over what it means to be and do good personally and professionally in sports, given the real cost of ethical failure.

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