

**Mega-Events and corporate social responsibility: A stakeholder perspective of compatibility**

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Abstract 325**

Large scale sporting events have become 'touchstones' of urban and regional development for many cities and nations. Such events are believed to present unique opportunities to attract resources, enhance development initiatives, and increase awareness of the host localities (Horne & Manzenreiter, 2006). There are considerable economic, social and political opportunities and challenges for communities that host mega-events. It is the structuring of the event and the associated activities that will determine the extent to which communities benefit from the staging of event activities. Criticisms continue to be raised about the use of mega-events for community and local social development. From this perspective, there is an increasing interest in developing events in ways that most effectively serve the interests/needs of local communities, while at the same time attending to corporate interests of stakeholders. Thus, building upon the notion that events should serve both the interests of communities and the elite stakeholders, this paper examines corporate social responsibility (CSR) in the context of mega-events. Through the examination of two corporations that have adopted a corporate social responsibility ethic, VANOC (Vancouver Organizing Committee for the 2010 Olympic and Paralympic Games) and LOCOG (London Organising Committee of the 2012 Olympic and Paralympic Games), this paper examines the compatibility between social responsibility and the context of the development of a mega-event such as the Olympic Games.

Corporate social responsibility moves beyond the notion that the only responsibility of business is to make profit (Friedman, 1962), towards an understanding of societal expectations and maximisation of positive impacts on the social and physical environment. CSR requires organizations to consider the interests of investors, suppliers, consumers, employees, communities, and the environment when implementing profit-driven activities (Smith & Westerbeek, 2007). Thus, CSR is concerned with an obligation to give something back to society by meeting the needs of the various stakeholders. In the context of sport events, those who control the flow of resources and structure events are in a direct position to influence the impacts of the event and related activities on the various stakeholders.

Babiak and Wolfe's (2006) research on Super Bowl XL demonstrated that CSR can represent an effective way for sport organizations to enhance their reputation, build brand image, and enhance consumer loyalty. In addition, events offer the opportunity to engage in CSR-related activities as a means of deterring the negative effects that often surround an event. Following the Torino 2006 Olympic Games, a report outlining the games CSR practices underscored the increasing importance of adopting ethical and sustainable policies surrounding events. However, the growth of the 'global sport-media-tourism' complex (Nauright, 2004), which surround mega-events, represents a step in the opposite direction with a lack of transparency and increased secrecy for organizations involved in the events. In particular, organizing committees that adopt CSR policies will likely struggle with questions of urban boosterism associated with events that are often incompatible with values of social responsibility. The interest of serving all stakeholder groups, such as international sporting bodies and corporate sponsors often conflicts with the interests of other stakeholder groups, such as local communities, poverty organizations, and environmental activist groups.

This research draws upon a stakeholder perspective of corporate social responsibility (Moir, 2001) to identify and analyse CSR policies related those groups that can affect, and are affected by, the decisions of each organizing committee. Primary stakeholders are defined by those groups whose involvement is central to the achievement of organizational goals. Organizing committee stakeholders have been determined to be numerous and include international sport organizations, corporate sponsors, various levels of government, and communities that provide infrastructure and human resources. Secondary stakeholders are characterized by the fact that they are influenced or affected by the organization, but are not necessarily engaged in direct transactions with the organizing committees. These stakeholders include local community members, local development groups, provincial and municipal sport organizations, and recreation departments.

Given the extreme size of an event such as the Olympic Games, the number and variety of stakeholders affected by the staging of these events in Vancouver and London are numerous. While the adoption of CSR policies by each of the organizing committees would seem commendable, the task of addressing the needs and interests of stakeholders represents an enormous undertaking. The strategic plans and initiatives currently in place by both VANOC and LOCOG represent steps towards accommodating social and environmental interests; however, conflict among stakeholders, particularly with respect to values, interests, and needs appears to be skewing the CSR practices towards favouring primary stakeholder interests. According to Schepers (2006), intra-network conflict often results in the altering of CSR practices towards favouring primary powerful stakeholders. In addition, it appears that these corporations are relatively unaware, or at least unattentive, to the complexity of

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the network of stakeholder groups. Preliminary results also reveal that the framing of CSR activities often conflicts with the primary goals and activities of the corporations for the development and staging of events. As such, CSR practices are being used primarily as part of the social marketing for the event and subsidiary activities for pre-event exposure. While the adoption of CSR and related policies might be an effective tool to enhance reputation, positively influence perceptions of the event, and reduce event criticism, it appears to be relatively incompatible with the events process. Instead, CSR policies and strategies are being used pragmatically to influence the bottom line and thus support the primacy of elite stakeholders. Thus, these cases do not suggest that CSR policies and mega-events are incompatible; rather, it suggests that the complexity of the event and stakeholder groups makes it all the more important to understand the needs and interests of stakeholders in order to enhance the positive outcomes of events.

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