

Protecting integrity in professional sports leagues: Preserving uncertainty of outcome

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Abstract 379**

Professional sports leagues are a unique business entity because of the product produced. One element of this product is the uncertainty of game outcomes. Uncertainty of outcome is "a situation where a given contest within a league structure has a degree of unpredictability about the result and, by extension, that the competition as a whole does not have a predetermined winner at the outset of competition" (Forrest & Simmons, 2002, p. 229). As a result, uncertainty of outcome is a core element of the league product (Mason, 1999). However, behaviors of various stakeholders can threaten the integrity of game outcomes. These include gambling, match fixing, tanking, spying, and official/referee bias. Thus, sports leagues will do whatever is necessary to protect uncertainty of outcomes and maintain legitimacy from the external environment. "Legitimacy is a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions" (Suchman, 1995, p. 574). This paper will explore how the four professional leagues in North America, Major League Baseball [MLB], National Football League [NFL], National Hockey League [NHL], and National Basketball Association [NBA], strive to protect uncertainty of outcome through widely held institutional practices. The paper will examine how preserving uncertainty of outcome is valuable and will provide an overview of the legitimacy research. It then reviews and examines how North American professional sports leagues have sought to protect the uncertainty of outcome in games and how those responses have been legitimized.

The concepts of legitimacy and uncertainty are concepts in institutional theory. Institutional theory examines how an organization attempts to reduce its uncertainty in order to gain legitimacy to stakeholders (DiMaggio & Powell, 1983). The uniqueness of the sport product requires a sports league to increase the uncertainty of outcome in order to obtain legitimacy. Legitimacy affects how people understand and conduct themselves toward organizations. Three types of organizational legitimacy, pragmatic, moral, and cognitive, exist according to Suchman (1995). Pragmatic legitimacy is "based on a kind of exchange calculation of the expected value of a focal organization's activity to immediate stakeholder groups" (Dart, 2004, p. 416) while moral legitimacy is "based on an evaluation of whether an activity of a focal organization is the proper one (relative to external norms) rather than whether it specifically benefits those who are making the evaluation" (Dart, 2004, p. 416-417). Finally, cognitive legitimacy "refers to legitimacy at the level of taken-for-grantedness rather than the level of evaluation" (Dart, 2004, p. 417). League commissioners, as heads of sports leagues, use the media to project this type of legitimacy to the pertinent stakeholders. Suchman (1995) goes on to explain strategies for gaining, maintaining, and repairing legitimacy. Most institutional studies on legitimacy focus on how firms adopt and/or maintain practices that are widely held throughout the industry (Elsbach, 1994).

Gambling and match fixing is one of these occurrences that seriously threaten uncertainty of outcome in leagues. The main question this paper attempts to answer is whether the North American professional sports industry has developed widely accepted institutional practices to protect their uncertainty of outcome of games. To begin answering this question, secondary data sources and the Internet were consulted to examine the historical accounts of professional league practices regarding gambling and the initial response leagues took to address gambling. To examine more recent practices, the newspaper search engine Factiva was employed using the search terms "NBA and gambling", "NHL and gambling", "MLB and gambling", and "NFL and gambling." This initial search yielded more than 3000 hits. The search was then refined, exploring specific cases involving gambling within leagues. This included Pete Rose, Rick Tocchet, and Tim Donaghy. These specific examples were then coded to determine how league spokespeople (including commissioners, deputy commissioners, etc.) acted and articulated the leagues' responses to these individual cases. In addition, how these responses were discussed by industry stakeholders in terms of previous gambling scandals was also examined.

This article expands the literature on uncertainty of outcome in professional sports leagues by examining the strategic role sports leagues take in regards to preserving uncertainty of outcome. It expands the legitimacy and institutional theory literature by examining both in a sport construct. It also aids sport managers in better understanding how the ways in which leagues respond to crisis become institutionalized.

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