

Stakeholder management and corporate social responsibility in professional sport

Kathy Babiak, University of Michigan

Lisa Kihl, University of Minnesota

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Concerns related to corporate social responsibility (CSR) have existed since the early part of the 20th century (Kinard, Smith, & Kinard, 2003). The core principle of CSR is that the corporation incurs responsibilities to society beyond profit maximization, as "corporations possess the power to control and influence the quality of life of employees, customers, shareholders, and residents of local communities in which they operate" (Krausz & Pava, 1995, p. 1). Companies, it is thus argued, have a fundamental responsibility to act in a manner that positively contributes to their stakeholders and the communities in which they operate (Sagawa & Segal, 2000). The idea that managers have responsibilities to others beyond the shareholders of an organization is the guiding principle underlying the stakeholder perspective (Freeman, 1984). CSR is assumed to be valued and deemed important for organizational stakeholders. This justification for a broader focus of managerial attention becomes the main contribution of stakeholder theory to the CSR conversation. Stakeholder theory examines whether and why corporations attend to the interests of stakeholders along with their own immediate corporate interests (Allen, 1992; Donaldson & Preston, 1995; Freeman, 1984). A main premise of this approach is that an organization operates within a network of different stakeholders who can influence the organization directly or indirectly (Habisch & Jonker, 2005).

Stakeholder theorists (Donaldson & Preston, 1995; Freeman, 1984) argue that stakeholders have legitimate interests in corporate activities as they may be impacted by them. This perspective recommends attending to attitudes, perceptions, structures, and practices that then constitute stakeholder management. Stakeholder theory identifies the relationship between stakeholder management and the achievement of various corporate performance goals, such as profitability, stability, and growth (Donaldson & Preston, 1995). Campbell (2007) and Driver and Thompson (2002) suggest that stakeholder theory is closely related to the issue of CSR to the extent that appropriate and inappropriate corporate behavior is defined in terms of how corporations act vis-à-vis their stakeholders. While "...a prevailing understanding of CSR is based on the notion of stakeholders' expectations" (Podnar & Golob, 2007, p. 327), research addressing CSR and consumers-as-stakeholders' perceptions and expectations is relatively rare to date (Beckmann, 2006). In particular, in the context of professional sport and CSR, little is known about how organizational stakeholders perceive and value professional sport teams and their CSR efforts. The purpose of this study was to explore CSR in the professional sport context to understand stakeholders' expectations and perceptions in this area.

The research setting was a professional Major League Baseball team located in the Midwest, and the CSR initiative in question was the team's Rookie League and Reviving Baseball in the Inner Cities (RBI) program (a Major League Baseball league-wide initiative). The major objective of this 'socially responsible' program is to increase the opportunity for inner city and disadvantaged boys and girls to participate in baseball and softball (MLB, 2008). In order to acquire detailed and rich data on the expectations and perceptions of this CSR program, over 40 interviews were conducted with executives from the MLB team, as well as stakeholders of this program, including program participants (N=8), parents (N=10), team executives (N=3), coaches (N=6), corporate partners (N=2), and municipal parks and recreation executives (N=11). The interviews were designed to elicit participants' experiences, perceptions and expectations with the RBI program and the professional club. Interviews were transcribed and analyzed using Atlas.ti, a qualitative data analysis program. Initial codes were derived from the CSR and stakeholder literature, and then codes and themes were assigned to the data, and finally patterns were determined. The initial analysis suggests that organizational stakeholders highly identified themselves as fans prior to their involvement in the RBI program, and expected the MLB team to engage in socially responsible initiatives.

Program participants' and parents' perceptions of the MLB team after taking part in the program ranged from being unchanged to enhancing their connection with the organization. This connection was reported as these stakeholders would subsequently follow the team more closely, attend more games, be more passionate about baseball, and have a better understanding of the philosophy and role of the team's socially responsible efforts in the community. Furthermore, all stakeholders felt that providing CSR was an obligation of the organization to be a good corporate citizen and to give back to the community since they were perceived as the 'community' team. However, contra assumptions, stakeholders (particularly program participants, parents, coaches and parks and recreation executives) indicated that if the MLB team decreased their support of the city's RBI program, they would continue to be a fan of the team, but their perception of the organization would diminish. Given that issues linked to CSR have become an important driver of public opinion (Dawkins & Lewis, 2003) and corporate reputation, the implications for professional sports organizations will be discussed along with future directions for research.