

A Corporate Social Responsibility (CSR) Conceptual Framework for Pro-Sports Teams

*Youngho Park, The Ohio State University
Donna Pastore (Advisor), The Ohio State University*

Organizational theory/culture **Friday, May 31, 2013** **20-minute oral presentation**
Abstract 2013-176 **3:35 PM** **(including questions)**
(Room 416)

The concept of Corporate Social Responsibility (CSR) has lured many practitioners to believe this is an effective marketing strategy for enhancing a firm's reputation or/and retaining customer loyalty, which ultimately facilitates the attainment of organizational overall goals (Jones, 1995). In addition, practitioners have also begun to recognize the utility of sport as a vehicle for deploying social responsibilities due to its pervasive impact on society at large (Baker & Esherick, 2011; Smith & Westerbeek, 2007). Although CSR study has flourished in the field of sport management, there are still several areas that remain undeveloped and thus require special attention. More specifically, only limited attempts have been made with respect to an examination of the effectiveness of the implemented CSR initiatives in the domain of sport (Babiak & Wolfe, 2006; Inoue, Kent & Lee 2011; Smith & Westerbeek, 200; Tainsky & Babiak, 2011). Since the status of CSR investigations in regard to its effectiveness to a sport organization is still in its infancy, it is necessary to develop comprehensive framework in which the effectiveness of CSR initiatives could be more accurately assessed (Parent, 2006; Inoue, Kent & Lee, 2011). Therefore, the aim of this presentation is to propose a conceptual framework in an attempt to delineate the complex nature of the decision making process regarding the development of CSR initiatives in the realm of professional sports organizations. More specifically, the proposed framework utilized Caroll's initial framework on CSR and stakeholder theory in an attempt to identify the process of decision making with respect to the development of CSR initiatives in the context of pro-sport organizations.

Caroll (1979)'s theoretical model classifies types of CSR by encompassing varying degrees of corporate social responsibilities (i.e., economic, legal, ethical, and discretionary responsibility) and integrates these types into the general framework. The logic behind the Caroll's model is that the degree of organizational social involvement in dealing with social issues would be largely dependent upon how the focal organizations consider their role in the society where they reside in. In a similar manner, Porter and Kramer (2006) asserted that CSR initiatives would be effective when the corporations aim at certain types of social issues in accordance with the organizational objectives. This indicates that the CSR initiatives would be more effectively examined by clarifying how the organizations manage and design the CSR initiatives in concert with the social issues. In other words, the effectiveness of the CSR initiatives would be largely dependent upon the extent to which the interests of key stakeholders are satisfied by CSR initiatives.

However, it is noteworthy that corporate managers tend to make majority of their decision on behalf of the organizations (i.e., owners) regardless of the needs of the key stakeholders. As Robinson (2005) indicated, in the context of sport, charitable foundations operated by pro-sport teams tend to exclusively reflect altruistic values of the team owners due to their pervasive influence over the vision of the foundations, and as a result, implemented CSR initiatives would not effectively address relevant social issues for the stakeholders. However, the managers are forced to address the interests of the owners since the owners are the prime beneficiary for the existence of the corporations (Blau & Scott, 1962). Thus, managers should select relevant social issues on the basis of primary stakeholders' needs, which would be compatible with the owners' altruistic needs. In this regards, sport managers play a role as a mediator who is required to carefully select stakeholder issues for CSR which could obtain the owners' support in the development and implementation of the CSR initiatives. In other words, managers could maximize the effectiveness of CSR initiatives by eliciting meaningful degree of compatibility between primary stakeholders' issues and prime beneficiary (i.e., owners) issues in the process of CSR development. Once social issues have been identified, it is required to employ proper types of CSR initiatives to resolve the social issues. Accordingly, the managers should implement proper types of CSR initiatives based on the potential impact of the identified issues to the sport teams. There are two CSR initiatives (Proactive vs. Protective initiatives) identified in the current framework, which require different managerial strategies to effectively cope with the identified social issues. In the first category, proactive initiatives, managers would respond to the identified social issues in an active manner. Generally, proactive CSR initiatives have been regarded as CSR activities in practice and, the majority of the

2013 North American Society for Sport Management Conference (NASSM 2013)

CSR literatures also have focused exclusively on this category with respect to the examination of the CSR effectiveness (Godfrey, 2009; Inoue et al, 2011). It is noteworthy that the selection or identification of the social issues in this category would be left to the managers' judgment and choice since these activities are not either mandated by law or expected by pervasive social norms (i.e., ethics) within society. The essence of proactive CSR initiatives is that the organizations would not be regarded as irresponsible although they are not involved in these activities (e.g., community outreach or charitable events). As a second strategy, sport managers would employ protective CSR initiatives in an attempt to protect their teams from the negative impacts. Literally, this category would be more appropriate to be called as "corporate responsibilities" since the category implies mandatory actions required by the stakeholder groups regarding certain social issues at stake. This category encompasses fundamental responsibilities (i.e., economic, legal, and ethical responsibilities) in which society expect for the organization to fulfill in the name of "social contract". In other words, if the pro-sport teams do not effectively respond to the social issues in this category, the teams would be accused of being irresponsible, which could harm the organizations.

In sum, the proposed framework delineates the throughput stage in the process of CSR decision making in the context of pro-sport organizations. As mentioned, there has been a lack of conceptual framework on CSR in the context of sport management, which constrains scholars from understanding complex nature of CSR when it comes to the real world implementation.

The proposed framework will provide a general scope on how the pro-sport manager could cope with the dynamic nature of stakeholder networks. Additionally, the proposed framework pinpoints the organizational mechanism in which the effectiveness of CSR initiatives could be determined. Accordingly, it has been revealed that the managers should employ different managerial strategies in accordance with the social issues emerging from primary stakeholders. In this decision making process, it is required for sport managers to play a role as a "mediator" between stakeholders and owners since the managers will select social issues in order to accommodate needs for both groups to be effective in the development of CSR initiatives. Once relevant stakeholder issues are selected, the impact of the issues would be examined on the basis of the CSR initiatives performed by the sport organizations.