Escalation of Commitment in United States Collegiate Athletic Departments: An Investigation of Social and Structural Determinants of Commitment

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Sport organizations regularly encounter situations concerning the most efficient and effective allocation of resources. Typically, much of the discussion centers on how select organizations escalate spending while others must decide whether to accrue additional debt to maintain the appearance of competitive viability or risk alienating stakeholders. Examples of this behavior abound, including teams within the English Premier League (Scott, 2012), Japan’s Nippon Baseball League (Garger, 2004), and host cities of the Olympic Games (Clarke, 2012; Sanburn, 2012). Indeed, this escalation of commitment may be most pronounced among Division I athletic programs in the NCAA. Amidst evidence of limited financial returns from athletic investments (Frieder & Fulks, 2007; Fulks, 2013), universities have continued to increase their commitment to athletics, as evidenced by the recent influx of applications to the NCAA for reclassification or sport-specific sponsorship (notably football) in Division I (see Pennington, 2012). Although management theorists have long examined project and psychological determinants of increasing commitment to a project or course of action, there are several facets of currently understudied escalation determinants (Sleesman, Conlon, McNamara, & Miles, 2012). Using escalation of commitment theory, the purpose of this study was to gain a better understanding of how social and structural determinants shape sport organizations’ decisions to escalate their commitment to a high-risk, high reward course of action. Specifically, we investigated the role of organizational status, former performance, and side-bets in these situations.

For nearly four decades, escalation of commitment theory has been a framework for investigating the continued and increased commitment of individuals and organizations to failing projects and courses of action amidst awareness of negative feedback (Staw, 1976). As outlined by Staw and Ross (1987), research has identified four determinants—project, psychological, social, structural—useful for categorizing the numerous variables encouraging escalation behavior. While project and psychological determinants have received significant empirical attention, social and structural determinants are vastly understudied (Sleesman et al., 2012). Given the impact of internal and external parties, research on social determinants has primarily focused on individual level facets, specifically noting the manifestation of decision maker behavior within escalation scenarios. Yet, absent from the literature is consideration of social determinants from an organizational standpoint; notably, the role of status in maintaining commitment to a failing course of action.

Over the last decade, the growing trend of increasing commitment to Division I athletics has emerged among higher learning institutions in the United States (Frieder & Fulks, 2007). Amidst research indicating a lack of profitability among existing Division I members (Fulks, 2013) and limited evidence of financial benefits for those reclassifying institutions (Frieder & Fulks, 2007), it is reasonable to infer that the majority of institutions escalate commitment for more intangible purposes; notably attempting to attain organizational status. Yet, institutional attempts to attain athletic status may in fact result in adverse effects to select aspects of the institution’s reputation. Therefore, our initial research questions addressed the role of status and reputation in escalation of commitment within intercollegiate athletics:

RQ1a: What impact will organizational status, as a social determinant, have on sport organizations’ decisions to escalate their commitment?

RQ1b: Amidst the attainment or sustainment of organizational status, what importance will be placed on the reputation of sport organizations?

Beyond social determinants, structural determinants of commitment account for the “structural features of an organization and its interaction patterns that can also influence how escalation situations are handled” (Staw & Ross, 1987, p. 60). Related to our initial research questions pertaining to social determinants, Sleesman et al. (2012) noted a structural area deserving additional research likely concerns “whether and how escalation is a consequence of overall
organizational performance” (p. 545). Within intercollegiate athletics, sustained performance may be an indicator of an institution’s decision to increase commitment. This leads to our second research question:

RQ2: How will prior success in organizational performance impact escalation of commitment within sport organizations?

While Staw and Ross (1987) present several structural determinant features potentially impacting organizational commitment, Stern and Henderson (2004) revealed the role of organizational resource interdependencies as intensifying commitment to a course of action. With particular application to the sharing of resources, these interdependencies may manifest themselves in the form of added investments dependent upon course of action continuation, better known as organizational side-bets. In furthering the work of Ross and Staw (1993), we believe economic, technical, and political side-bets to have a most significant role in commitment sustainment within sport organizations. Thus, in furthering the charge of Sleesman et al. (2012), our final research question posits the following concerning structural side-bets in commitment sustainment:

RQ3: What role will organizational side-bets play in sustaining escalation of commitment within sport organizations?

This study adhered to a collective case study methodology, examining the escalation process among institutions (N = 10) increasing their commitment to Division I athletics within the last 10 years (2003-2012). Escalation of commitment in athletics was operationalized in three capacities: (a) reclassification to Division I, (b) addition of a Division I football program, and (c) transition from Division I FCS to Division I FBS. Participants (n = 35) included decision makers directly involved in the implementation of escalation initiatives (e.g., President, Vice President for Student Affairs, Vice President for Enrollment Services, Athletic Director, Senior Associate Athletic Director, etc.). Data were collected via phone interviews and subsequently analyzed using NVivo 10. In order to facilitate analysis of the collected data and establish trustworthiness, audio-taping, transcription, peer debriefing, and member checking were applied. Further, a three-step coding process was implemented by two coders. Two measures of intercoder reliability were implemented (Guetzkow’s U; Cohen’s Kappa), both indicating a high degree of agreement between coders.

Findings from RQ1 revealed the emergence of organizational status as a social determinant of escalating commitment. Nine of the 10 institutions identified the desire to attain or maintain organizational status by increasing commitment to intercollegiate athletics, with the remaining institution strongly indicating status as an important consequence. Further, the majority of institutions stated that the increase in athletic status was worth the decrease in athletic reputation. Findings from RQ2 identified organizational escalation as a consequence of prior successful performance. Most notably, former instances of successful organizational performance may increase decision makers’ susceptibility to commitment escalation. Finally, findings from RQ3 revealed commitment sustainment as solely dependent upon several organizational side-bets. While prior research has identified side-bets as playing a partial role in escalation situations, their impact has the potential for far greater significance in sustaining organizational escalation. Additional theoretical and practical implications will be discussed.