Corporate Social Responsibility Practices and Professional Sport Organizations in Emerging Markets: A Stakeholder Perspective in the National Basketball Association’s Social Involvement in China

Hanhan Xue, Florida State University  
Joanna Tweedie, Florida State University  
Christopher McLeod, Florida State University  
Joshua Newman (Advisor), Florida State University

Management/leadership  | Thursday, June 2, 2016  | 20-minute oral presentation (including questions) (Legacy South 1)
Abstract 2016-014  | 8:55 AM

In recent years, transnational professional sport organizations have increasingly activated corporate social responsibility (CSR) initiatives in emerging markets. For example, the National Basketball Association (NBA) has initiated a series of social involvement programs such as basketball skills clinic, donations, and the “Learn and Play Space” program in China (NBA Community Report, 2010). CSR implies that sport businesses are responsible for assessing their broader impact on society (Walker & Parent, 2010); the notion of which, however, becomes complicated when operating in different contexts with diverging views of the role of sport and business in society. Babiak and Wolfe (2009) argue that, in North America, passion, economics and transparency are the defining features that professional sport organizations must consider when designing and implementing CSR. However, to what degree the three values are predictably linked to sport in emerging markets (e.g. China, India, and Brazil) remains unsubstantiated (e.g. Ratten & Ratten, 2011). Some scholars have suggested that for Chinese sports administrators, for instance, CSR is viewed to be “regulatory and prevention responsibilities” (i.e. appropriate regulatory and administrative processes and mechanisms) and “product development responsibilities” (i.e. convenience and accessibility to sport products) (Li, Zhang, Mao, & Min, 2012, p. 527). In another case, transnational sport organizations may find that they are expected to “do more than local companies in building their reputation and goodwill, in supporting local communities, as well as in protecting the environment” (Kostova & Zaheer, 1999, p. 74). It is the combination of these considerations that imply dynamics and uncertainties for transnational professional sport organizations in developing and implementing their CSR activities in emerging markets.

In this study, we thus seek to explore the complexity surrounding the adoption of CSR practices for transnational sport entities in emerging markets. To do so, we employ a stakeholder approach to understand the dynamics involved in transnational professional sport organizations’ response to broader societal needs and requirements (cf. Walters & Chadwick, 2009; Walters & Tacon, 2010; Walker & Kent, 2009). A stakeholder approach inherently involves an exchange perspective for social responsibility management as it recognizes the interests of a wide range of constituents that have a stake in the organization and its initiatives (Freeman, 1984; Friedman, Parent, & Mason, 2004). Furthermore, the complex and uncertain nature of the social environment in emerging markets faced by transnational professional sport organizations implies the need for ongoing stakeholder management (Jamali, 2008). In the context of advanced economic globalization, transnational professional sport leagues and organizations—that claim to embrace unique social features such as youth appeal, cultural understanding and integration, and media distribution and communication power while advancing access to emerging markets (Smith & Westerbeek, 2007)—are subjected to scrutiny and regulation by new international stakeholder groups. Thus, transnational sport organizations are increasingly expected to “manage responsibly an extended web of stakeholder interests across increasingly permeable organization boundaries and acknowledge a duty of care” (Jamali, 2008, p. 217) towards stakeholders (such as the media, governments, sponsors, fans and communities) around the world.

With this in mind, we investigate the mission and objectives of a transnational professional sport entity and its actions vis-à-vis different stakeholders in an emerging market. More specifically, we provide a case study of the NBA’s CSR practices in China. The NBA’s social involvement in China provides an ideal case site for two reasons. First, China, as the largest emerging and developing economy around the world, and thus has increasingly become an important target market for transitional professional sport organizations. Second, CSR has been a defining aspect of the NBA’s efforts in operating business in the Chinese market.
As a transnational entity, the NBA has courted the Chinese market for over thirty years. The NBA has engaged in various social development activities in China. For example, the league has initiated several collaborations with the Chinese Basketball Association (CBA), including exchanges wherein Chinese coaches and referees receive training in the United States as well as a basketball academy in southern China to develop elite players (Yardley, 2012). Additionally, NBA China and Yao Ming developed a high school coach training program, a Shanghai-based basketball training center for amateur and professional players in different age groups, as well as an annual basketball camp specifically for young athletes (Sun, 2012).

Documents and interview data were collected to facilitate the case study. Documents included archives, news articles, policy documents, and organizational CSR reports with the aim of providing a description of the China’s political, economic, and social context in relation to sport and the NBA’s social activities in China. The documents also helped identify an initial list of stakeholders involved in the NBA’s CSR in China. In addition, 669 Chinese social media messages (i.e. Sina Weibo, a twitter style social media platform) about Chinese fans’ views regarding the NBA’s social involvement in China were also collected through Weibo4j API (an open-source text extraction tool). Moreover, fifteen in-depth, open-ended interviews with senior managers in NBA China, Chinese sport government officials, local media, and local business partners were conducted to explore the views and experiences of different Chinese stakeholders on the NBA’s mission and social programs in China. Interview data were collected through snowball sampling. Thirteen interviews were conducted on site—in interviewees’ meeting rooms or offices—while two were telephone interviews. Interview time duration ranged from 40 minutes to 3 hours. Qualitative content analysis that involves a recursive and iterative process in developing codes were conducted (Patton, 2002). We used “core Chinese stakeholders”, “stakeholder expectations and interests”, “the NBA’s actions vis-à-vis each category of Chinese stakeholders” as a broad frame of coding reference. Other coding themes such as “cultural difference” and “personal relationship building” also emerged as the analysis progressed. Some coding work was conducted in Chinese, and necessary coding examples were translated into English. For the purpose of improving translation quality, back-translation (i.e. translating the translated texts back into original language) (Brislin, 1970) was undertaken to constantly compare the back-translation to the original version.

Lastly, results regarding the way in which international stakeholders deal with external CSR initiatives will be discussed. There are some significant implications the study will provide. First, we view CSR as a process whereby organizations, which operate at the center of a “network of interrelated stakeholders that create, sustain and enhance its value creating capacity” (Post & Carroll, 2006, p. 122), strive to address the collective interests of a wide range of stakeholder constituents instead of exclusively focusing on shareholders. This gauge can help grasp the complex and dynamic nature of the notion of CSR in professional sport across nations and markets. Second, we adopt a constructivist perspective to explore the complexity of CSR practices for professional sport organizations by outlining multifaceted views of what the sport organization is doing vis-à-vis its stakeholders. This may yield interesting insights on how different views come into being surrounding CSR and professional sport. Third, by relating CSR to the specific context of emerging markets, we hope to provide heuristic insights that professional sport organizations can use to cope with conditions of uncertainty and complexity when they seek to expand across transnational boundaries.

Selected References


