Responsible Leadership in College Athletics

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NCAA Division I intercollegiate athletics in the United States is a big business, fueled by the desire for the product from a variety of stakeholders. The University Athletic Department at each Division I institution serves as the primary organizational unit for varsity college athletics and is responsible for fundraising, providing entertainment for its fans, and for providing both athletic and academic enrichment for its most important stakeholder – the student athlete (Kihl, Richardson, & Campsi, 2008). In the academic study of intercollegiate athletics, strategic planning of athletic departments has seen moderate recognition in the sport management literature, often relying on the strategic typology framework introduced my Miles and Snow (2003). In an examination of athletic department strategy, Cunningham (2002) adopted Miles and Snow’s strategic typology to conclude that a majority of athletic departments fall into the role of “reactor”; meaning they do not have a clear strategy, often following changes in the environment, similar to a “follow-the-leader” approach. This is not to imply that athletic departments do not engage in strategic planning, rather to assert that athletic departments often do not adhere to their strategy; evident by the arms race in college athletics, the expenses associated with facility development, and coaches’ salaries (Edwards, 1984; Tsitsos & Nixon, 2012).

The present study seeks to provide a different strategic viewpoint in analyzing college athletics by exploring how Division I athletic departments utilize their resources to achieve dual measures of organizational effectiveness – athletic and academic achievement. The management literature provides a broad perspective examining strategic management in all firm sizes. The strategic management literature has provided stakeholder theory (Freeman, 1984) and resourced-based theory (Barney, 1986) for addressing strategic management of an organization. Freeman stated that an organization should seek to serve its stakeholders, providing value through the development of meaningful relationships with its stakeholders. Barney stated that an organization should utilize its resources in a manner that provides a competitive advantage for the organization. Resources may come in a variety of dimensions including land, labor, and capital. Barney also specifically noted the power of internal organizational culture as a means for competitive advantage (Barney, 1986). Since college athletics at all levels is purported to value the development of student-athletes in the classroom and on the field, an athletic department has two distinct strategic paths it should address in order to be viewed as a highly effective organization. This study will address these dual strategic paths by examining the integration of responsible leadership theory (Maak and Pless, 2006) with Freeman’s (1984) stakeholder theory, to examine how NCAA Division I athletic departments are utilizing financial resources to meet the dual strategy framework.

Theoretical Framework
Responsible leadership was introduced by Maak and Pless in 2006 with the purpose of identifying a leadership theory that can be associated with stakeholder theory. Responsible leadership is grounded in ethical and servant leadership theories and offers a strong conceptual relationship with stakeholder theory (Maak & Pless, 2006; Pless & Maak, 2012). Stakeholder theory presents a pragmatic approach for the management of stakeholder demands of an organization while simultaneously deriving increased value for stakeholders (E. Freeman, Rusconi, Signori, & Strudler, 2012; R. E. Freeman, Harrison, Wicks, Parmar, & De Colle, 2010). Integrating these theories offers an interesting foundation for empirical analysis regarding how Division I athletic departments are utilizing their resources to meet the strategic goals of both (external) athletic and (internal) academic success. The following are the research questions for this study:

1. Over time, how do organizational expense variables explain performance in academics?
2. Over time, how do organizational expense variables explain performance in athletic achievement?
3. Are athletic departments effectively addressing the needs of primary stakeholders of their organization?
Methodology
Data for this study was collected from three databases and synthesized into one composite database. Data was collected from the University of Michigan’s Institute for Social Research Database (Paskus, 2015), The Knight Commission, and Learfield Sports, for the time period from 2005-2014. The University of Michigan Institute for Social Research database provided the data for athletic department Academic Progress Rates (APR). The Knight Commission’s database provided expense variables for public university athletic departments. Learfield Sports provided data on athletic department Director’s Cup aggregate scores per academic year. A total of 50 athletic departments (n=50) were analyzed in this study.

Two longitudinal multi-level models, with individual data points for a given year being nested into each athletic department, were utilized to assess the variance explained in the two outcome variables: Director’s Cup Points and Department APR. The models utilized the following variables: number of sports sponsored, coaching salaries/athlete, debt outstanding on facilities, athletic spending/athlete, athletic spending w/o scholarships & football/athlete, total scholarship spending, and total football spending. The model intends to capture inter-athletic department variance over time toward each organizational outcome.

Conclusions
The longitudinal analysis is presently being conducted, but prior analysis averaging across the ten-year time span presented an r²=.69 for Director’s Cup points compared to r²=.23 for Department APR. The preliminary analysis indicates that athletic departments overall strategic management of financial resources appear to be guided toward athletic achievement over academic achievement. The use of resources is an important responsibility of organizational leadership, and it appears that athletic directors are generally utilizing resources for the pursuit of athletic achievement for their organization. The finding is troubling when matched with Cunningham (2002), where the majority of athletic departments’ strategy is based on reacting to the environment. Overall, we are more than likely to conclude that athletic departments are not effectively addressing the academic needs of their most important stakeholder, the student-athlete. They are utilizing their resources in an attempt to gain a competitive advantage in athletics, only effectively addressing one of their strategic objectives. On October 27, 2016, The NCAA introduced a new revenue model placing greater emphasis on academic achievement; displaying a modeling of responsible leadership behavior from the NCAA (Hosick, 2016). The presentation will provide the completed analysis on the longitudinal multi-level model and increased recommendations for the integration of responsible leadership into college athletics.