Sport, The Business of _________: Exploring Higher Purpose in a Professional Sport Organization

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The purpose of professional sport organizations remains an elusive concept for sport management scholars. Zeigler (2007) asks, “what are we really promoting, and do we know why we are doing it?” (p. 298), while also asking “what evidence do we have that sport as a social institution is really making a positive contribution to society?” (p. 297). While scholars (Jarvie, 2006; Wann, Melnick, Russell, & Pease, 2001) note that professional sport spectatorship positively impacts individuals and communities, Newman (2014) asserts that both researchers and practitioners currently assume that sport exists “principally as a commercial activity” (p. 604). Considering this assumption, Frisby (2005) comments, “whereas I am not rejecting growth or profit as possible outcomes of practice and research, I see the broadening or balancing of the [sport management] agenda as a much needed and healthy development in our field” (p. 6).

The call to examine the purpose of professional sport organizations aligns with a movement within the mainstream study of business. While Jensen (2001) suggests that organizational success has traditionally been defined by the financial value provided to shareholders, Freeman (1984) asserts that organizations should be conceptualized as instruments to provide value for all their stakeholders (e.g., employees, customers, investors). Further, Collins and Porras (1994) and Sisodia, Sheth, and Wolfe (2014) observe that those organizations led by individuals who express a dedication to creating value for all stakeholders have financially outperformed the average market firm significantly. As a framework for leaders to understand their purpose and their relationship with their stakeholders, Mackey and Sisodia (2013) introduce a ‘conscious approach’ to management, framed as a “a way of thinking about business that is more conscious of its higher purpose, its impacts on the world, and the relationships it has with its various constituencies and stakeholders” (p. 32). Mackey and Sisodia (2013) define an organization’s higher purpose as “the reason a company exists” (p. 33), which in turn, represents the value the organization sees themselves providing to their stakeholders. From there, Dolan and Garcia (2002) offer a strategic management approach, that leaders may use to integrate a higher purpose into the management of organizations, titled Management by Values (MBV). By strategically managing core values, leaders can develop “a rallying point” (Lencioni, 2002, p. 114) for stakeholders, such that they become aligned, engaged and unified in pursuing the organization’s higher purpose.

Kerwin, Maclean, and Bell-Laroche (2014) emphasize the need for leaders to understand strategic management of values, as they found that leaders’ MBV practices mediated the influence of core values on organizational performance in Canadian non-profit sport organizations. Further, Bell-Laroche, Maclean, Thibault, and Wolfe (2014) found that leaders of these sport organizations were not practicing MBV, given their uncertainty of how to manage their organizational values. Overall, this literature reveals an opportunity for leaders to improve organizational performance by developing their understanding of ‘why’ their sport organization exists and their awareness towards MBV practices needed to strategically utilize this purpose. Therefore, the purpose of this presentation is to share research that explored the presence and management of higher purpose within a professional sport organization, with the research guided by two questions: (1) what higher purpose do stakeholders of a professional sport organization espouse?; and (2) what practices do organizational leaders use to strategically utilize this purpose?

To gain this understanding, the first author used a qualitative, case study research design to conduct a single-site case study on a professional sport organization. Adhering to Yin’s (1994) recommendations, a case study method was chosen to explore the dynamic subjectivities of higher purpose and core values within the ‘real-life context’ of a private, for-profit sport organization. Data collection drew from three sources, including: first, semi-structured interviews with employees from the organization’s business operations staff (n=13), who were recruited through an...
open organizational call for participants; second, observation of physical artifacts in the organization’s office building; and third, both public and private organizational documents. The first author analyzed these data using a 2-stage coding process by: 1) reducing these data to descriptive codes; and 2) organizing these data into categories of a typology that describes both: a) stakeholders’ perceptions of why the organization exists (i.e., higher purpose); and b) the management strategies leaders use to strategically utilize the organization’s higher purpose. To understand higher purpose, the researchers used Mackey and Sisodia’s (2013) 4-types of higher purpose as a framework, whereby data on higher purpose was categorized as representing either ‘the Good’ (i.e., service to others), ‘the True’ (i.e., effort to further knowledge), ‘the Beautiful’ (i.e., the creation of excellence), or ‘the Heroic’ (i.e., the pursuit of what is ‘right’). To further understand the strategic management of higher purpose, the researchers utilized Bell-Laroche et al.’s (2014) 4-I Values Framework, whereby leaders’ MBV was characterized as being at any of the following levels, including: Inactive, Intuitive, Institutional or Inspirational.

It was found that the organization’s higher purpose was largely ambiguous, where Participants held differing perceptions of ‘why the organization exists.’ Further, from observations of artifacts and documents, no statements of organizational purpose were revealed. While Participants espoused various higher purposes, most espoused those aligned with ‘The Good’ (i.e., service to others) as a predominant source. Specifically, Participants referenced the organization’s provision of entertainment, encouragement of individual and community identity formation and support of personal relationships as perceived sources of value to stakeholders. Secondly, leaders’ MBV behaviours were found characteristic of an Inactive level, as stakeholders do not commonly share organizational values and leaders have yet to formally communicate or embed core values into organizational policy, practices and procedures.

On a managerial level, these findings suggest that leaders have an opportunity to further discover and communicate their organization’s higher purpose, as well as to develop MBV practices that could allow such a higher purpose to be utilized as a beneficial strategic management resource. On a theoretical level, the finding reiterates Zeigler’s (2007) call for sport scholars and practitioners to develop a tenable theory for sport organizations and to develop management strategies that can ensure sport organizational leaders are creating social and cultural value for stakeholders, in addition to generating financial wealth. Overall, this descriptive case study serves as a reflection on the higher purpose of this professional sport organization and contributes to the growing management literature whereby scholars discuss how leaders may strategically manage higher purpose and core values to improve organizational performance. By understanding the presence and management of higher purpose in a professional sport organization, both academics and practitioners have a further opportunity to manage their organizations effectively, while simultaneously contributing meaningful value to society.