

Evaluation of corporate social orientation as a critical step in strategic stakeholder management

Sheila Nguyen, Deakin University/ The Florida State University
Aubrey Kent, The Florida State University (Advisor)

Management/Leadership
Session 20

Saturday, May 31, 2008
9:00 AM - 9:25 AM

Presentation (25-minute)
Abstract 299

It has been suggested that corporate social responsibility (CSR) has the potential, if implemented strategically, to be utilized as a deliberate means to achieve corporate objectives and success (Colman, 2004; Dentchev, 2004; Mintzberg, 1984; Porter & Kramer, 2002; Savage, Nix, Whitehead, & Blair, 1991). This is evidenced in Colman (2004) where it was stated that "corporate responsibility can add value to their business"(p. 23) and similarly where it has been noted that effectively managed stakeholder relationships are considered key factors for high quality organizational performance as well as acting as essential drivers of organizational strategies and strategic management (Chelladurai & Madella, 2006; Lamb, 1984). Effective management using CSR can be accomplished as long as "the practice of corporate social responsibility means responding to a variety of stakeholders with different interests and needs"(Vos, 2003, p. 151) and "formulating strategies to respond to those interests" (Slack, 2005, p. 163). Furthermore, as managing stakeholders is "a process in which managers take responsibility for identifying and accommodating the interests of those affected by the organization's actions"(Maclagan, 1998, p. 147) it would be prudent to evaluate stakeholders, their attributes, and how that affects their attitudes related to the organization's social responsibility. These may occur differentially (e.g. attributes, stakeholder category, etc.), as "their values, their relative influence on decisions and the nature of the situation are all relevant information" for stakeholder management (Jones & Wicks, 1999, p. 208). While sport organizations have long employed corporate social activity, further investigation of those of which affect and are influenced by the organization's decisions and management would be prudent to ensure corporate social action "addresses important social and economic goals simultaneously, targeting areas of competitive context where the company and society both benefit because the firm brings unique assets and expertise"(Porter & Kramer, 2002, p. 58).

In the present study, it is proposed that attitudes will be affected similarly, based on the related stakeholder roles, as what is important to one stakeholder group may not be similarly salient to another. Specifically, the present study will explore stakeholders in terms of their stake and primacy (primary versus secondary) and measure respective orientation with the associated organization (Carroll, 1989). With this knowledge, sport organizations will be able to understand their stakeholders better which will lead to future recognition of the reciprocal influence between the sport entity and their stable of stakeholders.

For the purpose of the present study, Carroll's (1983) definition of corporate social responsibility will be used to evaluate its role in stakeholder management, which is conceptualized as composed of ".four parts: economic, legal, ethical and voluntary or philanthropic"(p. 604). While the trend has dictated that philanthropy be the main focus, this definition was chosen as it is all encompassing and its use aligns well with the exploratory nature of this study. Further, as the focus of the study is on stakeholder management strategies, attitudes (versus values) towards corporate social responsibility at the stakeholder group level will be examined. Key interest will be of primary and secondary stakeholders where primary stakeholder is defined as those groups "without whose continuing participation the corporation cannot survive" (Clarkson, 1995, p. 106) and secondary stakeholders are those who "influence or affect, or are influenced or affected by, the corporation, but they are not engaged in transactions with the corporation and are not essential for its survival" (p. 107).

The pursuit of exploring stakeholder management and the strategic use of corporate social responsibility descriptively, instrumentally or normatively begins with evaluating the characteristics and attitudes of the managed stakeholders. The outcomes of that assessment will enable more strategic approaches to stakeholder management with the use of CSR. Therefore, the questions that will be explored in the present study are as follows: a) Who are the major stakeholders (primary and secondary) of a sport organization? b) Are there differences between the primary and secondary stakeholders' corporate social orientation? and c) Are there differences among the stakeholder groups' (e.g. employees, customers, etc.) measures of corporate social orientation?

This study will investigate corporate social orientation of critical relationships using the tenets of stakeholder theory and corporate social responsibility as the framework to garner better understanding of how to manage stakeholders effectively and strategically. Thus, stakeholder theory and corporate social responsibility with special consideration of corporate social orientation will be discussed as undergirding the present study of corporate social responsibility as part of strategic stakeholder management. Moreover, the conceptual model used by Smith et al. (2001) will be used to contextualize the theoretical and practical implications of these considerations.

This study will employ a non-experimental design using an established construct to measure corporate social orientation

2008 North American Society for Sport Management Conference (NASSM 2008)

(Aupperle, 1984) in a cross-sectional approach. Specifically, stakeholder groups (e.g. employees, media, fans, etc.) of a non-profit golf organization will be surveyed using an online survey. The online survey will be composed of demographic questions and an abbreviated version of Aupperle's (1984) measure of corporate social orientation. The demographic section of the survey will assess information including: relationship to the organization, gender, age, marital status, if the individual has children, ethnic background, education level, income range, and city of residence. Whilst, Aupperle's (1984) CSO instrument will measure the stakeholder's attitudes toward various elements of corporate social responsibility. Items will assess the respondents' rated levels of importance for corporate social responsibility elements (legal, ethical, economic, philanthropic) and will provide for a comparison.

Analyses will evaluate both the demographic and corporate social orientation responses. Specifically, descriptive statistics will be used to assess the related demographic data whereby specific comparisons between primary and secondary stakeholder groups and among the various stakeholder groups will be made and findings reported. The second set of analyses will compare the corporate social orientation levels between (primary and secondary) and among groups (identified stakeholders). Both processes will use Multiple Analysis of Variance (MANOVA) as multiple independent groups on multiple dependent variables will be examined.

Using these methods of analyses, the tested hypotheses are as follows:

H1: Corporate Social Orientation levels (of legal, ethical, economic, philanthropic elements) will be significantly different between primary and secondary stakeholders

H2: Corporate Social Orientation levels (of legal, ethical, economic, philanthropic elements) will be significantly different among various stakeholder groups

Discussion and conclusion will be delineated once the data is collected and analyzed.