

Creating Shared Value in Professional Sport: An International Investigation of Corporate Social Responsibility

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Corporate social responsibility (CSR) in professional sport is no longer as simple as donating money to a favourite cause or sending players to a charity event. Across many industries over the past several decades, there has been a progressive shift from philanthropy (donations of time and money) and responsibility (corporate citizenship and compliance with community standards), towards the more strategic concept of shared value (societal improvement integrated into economic value creation) (Lee, 2008; Godfrey & Hatch, 2007; Porter & Kramer, 2011). Shared value is an extension of the well-known concept of CSR and refers to the policies and practices that strategically enhance the competitiveness of an organisation while simultaneously advancing social and environmental conditions of the communities in which it operates (Porter & Kramer, 2011). Through the notion of shared value, CSR can be more to a business than a cost, constraint, or charitable act. Rather, it can be a “source of opportunity, innovation, and competitive advantage” (Porter & Kramer, 2006, p. 2). Recent research indicates that CSR programs can provide professional sport organisations with internal benefits such as new marketing opportunities, new revenue streams, and image enhancement benefits, and external benefits such as increased brand reputation and community support (Sheth & Babiak, 2010; Trendafilova & Babiak, 2010; Walker & Kent, 2009).

Given its unique power to bring people and business together, professional sport is an ideal nexus to examine the notion of shared value. With the recent proliferation of CSR, both theoretically and practically, there is a need to re-examine professional sport organisations’ policies and practices with a more strategic outlook (Sheth & Babiak, 2010; Walters & Tacon, 2010). Moreover, there is an increasing expectation and subsequent opportunity for professional sport organisations to move beyond philanthropy towards shared economic and societal value.

This study investigated corporate social responsibility practices in professional sport using the tenet of shared value. The purpose of this study was to identify opportunities for shared value in professional sport, specifically examining the current ways in which best practice professional sport organisations innovatively design and employ CSR initiatives to strategically integrate social, environmental and financial performance. To achieve this, an in-depth exploratory case study (Yin, 2009) was undertaken with 12 professional sport organisations from major North American, European, and Australian sport leagues (e.g. National Football League, Major League Baseball, Premier League, UEFA Championship League and Australian Rules Football League, Australian National Rugby League). Twenty-two semi-structured interviews were conducted with senior executives responsible for the design, implementation and management of CSR policies and programs. Organisational documents and archival records including media clippings, annual reports, press releases, and marketing collateral were acquired over the course of 18 months. Collected content and transcribed interviews were analysed using NVivo™, a qualitative data analysis program, in which codes were assigned to the data and themes and patterns were determined. Three levels of coding were used (open, axial and selective coding) (Miles & Huberman, 1994) and results were organised into first and second-order concepts (Van Maanen, 1979).

Results from the study reveal ways in which best practice professional sport organisations may bring social and economic goals into alignment with stakeholder interests to improve business results. Business benefits associated with CSR initiatives included cost and risk reduction, competitive advantage, and increased brand awareness, reputation and fan engagement. For example, environmental strategies towards energy efficiency and waste reduction with the Philadelphia Eagles (NFL) provided an opportunity for significant cost savings and increased brand image for the organisation. Furthermore, results indicate that comprehensive measurement and evaluation of CSR initiatives was an important contributing factor towards proving and improving the economic benefits of current programs. Partnerships and collaborations between professional sport organisations and other businesses and charitable organisations in their local communities created important ‘win-win’ outcomes, strengthening the link between a sport organisation’s success and community support and the opportunity for synergistic value creation.

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From a theoretical perspective, results reflect the progressive shift towards the concept of shared value in management practice in the professional sports industry, indicating that social, environmental and economic goals can strategically align to improve long-term business results. Additionally, integration of stakeholder interests with the alignment of social and economic goals may create increased economic benefits.

The implications of these findings suggest that there are significant opportunities for shared value in the professional sport industry. Moreover, these results provide practical evidence-based examples of how sport management practitioners may transform the role of CSR within professional sport organisations into an opportunity to create shared value.