

Constructing the Corporate Social Responsibility Indicators of Professional Sport Organization

Bryan H. Chen¹, Mei-Hua Chen¹, Pei-Ni Tai¹ & Wan-Chun Hsiung²

¹ Department of Finance, National Changhua University of Education, Changhua, Taiwan

² Department of Sport and Health Management, Da-Yeh University, Changhua, Taiwan

Correspondence: Pei-Ni Tai, Department of Finance, National Changhua University of Education, Changhua, Taiwan.
Tel: 886-4-723-2105. E-mail: gracetai0602@gmail.com

Received: August 24, 2015

Accepted: September 7, 2015

Online Published: September 15, 2015

doi:10.5430/ijba.v6n5p75

URL: <http://dx.doi.org/10.5430/ijba.v6n5p75>

Abstract

Corporate social responsibility (CSR) was used as a business strategy to enhance reputation, increase competitive advantage, and reduce risk. The purpose of this study was to construct the CSR indicators of professional sport organization. In-depth interviews and Delphi method were conducted. Professional sport team managers, secretary generals of sport organizations and experts in sport management participated in this research. Results indicated that CSR of professional sport organization contained 4 dimensions, 13 sub dimensions and 56 sub indicators. The main indicators include enhancing the performance of professional sport organization, increasing competitiveness of professional sport organization, protecting stakeholder's interests, obeying the law, complying the collective bargaining agreement, protecting environment, providing safe merchandise and stadium, assisting sport promotion, assisting employees' career development, protecting consumer rights, promoting sport, education and health programs, assisting philanthropy organizations, and enhancing community's life quality.

Keywords: corporate social responsibility, professional sport organization, indicators

1. Introduction

In recent years, there has been a dramatic proliferation of serious social issues and environmental problems which need government, non-profit organizations, and businesses to seek solutions together. The issues of social responsibility and environmental sustainability has no longer being an underappreciated activities, it becomes a crucial business practices all over the world (Babiak & Trendafilova, 2011). Commission of the European Communities (2001) defined corporate social responsibility (CSR) as "A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis" (as cited in Dahlsrud, 2008).

Carroll (1979, 1999) proposed four well-known dimensions of CSR as economic, legal, ethical, and philanthropic/discretionary responsibilities respectively. Most people think that economic responsibility is above all business responsibilities. To profit, the enterprises are able to maintain business operations, and then making contributions to the society. Legal responsibility is regarded as the rules and regulations were created in the interests of the majority, thus all businesses are required to comply with. Beyond economic and legal responsibility, ethical responsibility represents the expectations of society, it would be additional activities or operations to the enterprises. Finally, the philanthropic/discretionary responsibility of an enterprise is people expects business to cope with social issues voluntarily, not compelled (Carroll, 1979; Carroll & Shabana, 2010).

Since CSR practice was not forced by the government, why do companies have willing to spend money on it? Kurucz, Colbert and Wheeler (2008) suggested that companies applied CSR as useful strategies, because it can reduce a company's cost and risk, build up legitimacy and reputation, bolster competitive advantage, and create win-win situation (as cited in Carroll & Shabana, 2010). As Peloza and Shang (2011) aptly pointed out, the best way to build up corporate identity was to provide CSR activities based on their product categories and attributes.

A growing number of research studies focused on CSR can classify into five types (Taneja, Taneja, & Gupta, 2011) as follows. Type I discussed the meaning, definition, and model of CSR (Babiak, 2010; Carroll, 1979, 1999, 2010; Dahlsrud, 2008; Godfrey, 2009; Huang, 1994; Plewa & Quester, 2011; Tu, 2009; Walker & Parent, 2010). Type II

identified determinants of CSR (Babiak & Wolfe, 2009). Type III analyzed actions and practice of CSR (Babiak & Wolfe, 2006; Babiak & Trendafilova, 2011; Bravo, Matute, & Pina, 2012; Inoue & Kent, 2012; Rosca, 2011; Sheth & Babiak, 2010; Walker, Kent, & Vincent, 2010). Type IV measured the impacts of CSR on stakeholders and financial performance (Inoue, Kent, & Lee, 2011; Walker, Heere, Parent & Drane, 2010; Walker & Kent, 2009; Walters & Tacon, 2010). Finally, type V deliberated measurement of corporate social performance (Duygu, 2009; Giannarakis, Litinas, & Theotokas, 2011; Tsai, Cheng, & Chang, 2012; Wood, 2010).

Babiak and Wolfe (2006) analyzed the CSR activities hold by the Super Bowl, found that by doing “good things”, sport organizations can not only ease the negative criticism caused by unethical behavior, but enhance their image and reputation. Moreover, Babiak and Wolfe (2009) has pointed out that fans/consumers’ enthusiasm of the product (team or game), the unique economic structure of the sport industry, transparency in decision making, and management of stakeholders would impact sport organizations on choosing CSR activities. Besides, sport industry also chooses distinct CSR activities based on geographical location, influence of stakeholders, and business operations of organizations (Walker & Parent, 2010).

As an emerging industry, professional sport was expected not only pursuing profit but practicing ethics (Huang, 1994). Sheth and Babiak (2010) found that the management in the sport industry believed ethical responsibility is most important of all, and also considered CSR as a strategic requirement for enhancing team’s image or reputation. Sports have an incredible power to attract the masses, sport organizations could use it to practice CSR and influence the society positively (Smith & Westerbeek, 2007). Since sport industry operated distinctively, CSR initiatives in sport organizations had distinctive roles and features differ from other industry (Smith & Westerbeek, 2007).

Take the example of FC Barcelona. When the new board and management team assumed, they addressed four major strategic objectives: (a) restore team’s sporting competitiveness, (b) improve transparency of club governance, (c) increase income by commercial advertisement strategies, and (d) practice CSR to maintain the relationship with society (Hamil, Walters, & Watson, 2010). As Babiak and Wolfe (2006) suggested, no matter which reason (philanthropy or pragmatism) the management considered, sport organizations should no longer ignore CSR. Thus, the purpose of this study was to construct the CSR indicators of professional sport organization. More specifically, this study was undertaken in order to propose and suggest some practical implications of sport CSR.

2. Method

This study gathered materials in the field of CSR, sport and CSR, and CSR indicators, adopting research from Sheth and Babiak (2010), Tsai et al. (2012), Tu (2009), and Turker (2009). We compiled a draft of CSR indicators of professional sport organization, it contained 4 dimensions, 13 sub dimensions, and 58 sub-indicators (see Table 1). In order to discuss and modify the draft, three experts are proficient in sport management and familiar with CSR issues were invited to do an interview separately.

Table 1. Original CSR indicators

Dimensions/ major indicators	Sub-indicators	Sources
1. Economic responsibility		
1.1. Enhance performance of professional sport organization	1.1.1. increase income and revenue	Tsai et al. (2012)
	1.1.2. map out financial plan	Tsai et al. (2012)
	1.1.3. strengthen cost-benefit	Tsai et al. (2012)
	1.1.4. save cost	Tsai et al. (2012)
	1.1.5. build financial auditing system	Tsai et al. (2012)
	1.1.6. build job rotating system	Tsai et al. (2012)
	1.1.7. practice management by objectives	Tsai et al. (2012)
	1.1.8. map out risk management plan	Tsai et al. (2012)
1.2. maintain competitiveness of	1.2.1. map out organization development plan	Tsai et al. (2012)
	1.2.2. stabilize merchandise quality	Tu (2009)

professional sport organization	1.2.3. retain employees	Tu (2009)
	1.2.4. build extraordinary team culture	Tu (2009)
	1.2.5. innovate training method	By authors
	1.2.6. perfect player trading system	By authors
	1.2.7. build interior performance evaluation	Tsai et al. (2012)
1.3. protect stakeholders' benefits	1.3.1. disclosure financial information	Tu (2009)
	1.3.2. disclosure employees salary range	By authors
	1.3.3. disclosure government grant	By authors
	1.3.4. perfect communication channels with stakeholders	Tu (2009)
	1.3.5. perfect the official website	Tsai et al. (2012)
2. Legal responsibility		
2.1. obey law, regulations, and policy	2.1.1. obey law and regulations	Sheth & Babiak (2010)
	2.1.2. prevent occupational injuries	Tu (2009)
	2.1.3. trade player by fair negotiation	By authors
	2.1.4. crackdown on corruption and unethical behavior	By authors
	2.1.5. map out punishments on infringement of a treaty	By authors
2.2. conform international labor standards	2.2.1. process employees' affairs fairly	Tu (2009)
	2.2.2. pay reasonable wage	Turker (2009)
	2.2.3. provide safe and health working conditions	Turker (2009)
	2.2.4. value labor rights	Tu (2009)
2.3. environmental protection	2.3.1. reduce carbon emissions	Tu (2009)
	2.3.2. reduce waste	Tu (2009)
	2.3.3. reduce exhaustion of natural resources	Tu (2009)
2.4. provide safe merchandise and service	2.4.1. build standard operating procedure	By authors
	2.4.2. control competition quality	Tu (2009)
	2.4.3. maintain safety equipment on time	By authors
	2.4.4. control merchandise quality	Tu (2009)
3. Ethical responsibility		
3.1. assist domestic sport development	3.1.1. foster sport talent	By authors
	3.1.2. provide professional guidance	Tu (2009)
	3.1.3. assist sport technique development	By authors
3.2. assist employees' career development	3.2.1. assist employees' career development	Tu (2009)
	3.2.2. encourage employees study further	Tu (2009)
	3.2.3. provide life assistance	Tu (2009)
	3.2.4. provide legal consultation	By authors
3.3. value stakeholders' rights	3.3.1. honest advertise	Tu (2009)
	3.3.2. protect consumer privacy	Tu (2009)
	3.3.3. deal with stakeholders' appeal	Tu (2009)
	3.3.4. avoid unethical behavior	Sheth & Babiak (2010)
4. Philanthropic responsibility		

4.1. promote sport, education, and health program	4.1.1. promote sport in school	Sheth & Babiak (2010)
	4.1.2. hold sport camp or activity	Sheth & Babiak (2010)
	4.1.3. assist education activity in school	Sheth & Babiak (2010)
	4.1.4. promote health program	Sheth & Babiak (2010)
4.2. assist charity or social vulnerable groups	4.2.1. donation	Tu (2009)
	4.2.2. engage in charitable event	Sheth & Babiak (2010)
	4.2.3. form a charity	Sheth & Babiak (2010)
	4.2.4. encourage employees to be a volunteer	Turker (2009)
4.3. enhance community's life quality	4.3.1. concern with community development	Tu (2009)
	4.3.2. hold community cultural event	Tu (2009)
	4.3.3. hold cultural exhibition	Tu (2009)

After the draft was modified (see Table 2 and Table 3), we chosen Delphi technique to check the fitness of these indicators, mailed the CSR indicators of professional sport organization survey to 15 experts (included professional sport team managers, scholars, and secretary generals in sport organizations). The respondents rated the issues on a scale from one to five where 1 represented "strongly disagree" and 5 represented "strongly agree". Descriptive statistics (mean, mode, and standard deviation) were computed, the item's mean score under 4 was eliminated.

Table 2. Comparison table of CSR major indicators of professional sport organization

Dimensions	Original major indicators	Revised major indicators
2. Legal responsibility	2.1. obey law, regulations, and policy	2.1. obey law and regulations
	2.2. conform international labor standards	2.2. obey collective bargaining agreement
	2.4. provide safe merchandise and service	2.4. provide safe stadium and merchandise
3. Ethical responsibility	3.1. assist domestic sport development	3.1. assist sport development

3. Results

After we interviewed experts, two sub-indicators were eliminated. Moreover, the mean scores of all indicators are above 4, and the consistency within Delphi technique experts exceeded 70%. Thus, the CSR indicators of professional sport organization contained 4 dimensions, 13 sub dimensions, and 56 sub indicators. The results are presented in Table 3.

Table 3. Comparison table of CSR indicators of professional sport organization

Original indicators	Revised indicators	Mean
1.1.1. increase income and revenue	increase income (e.g. tickets, merchandise) and revenue	4.53
1.1.4. save cost	---eliminated---	3.88
1.1.6. build job rotating system	build human resources management system	4.53
1.2.2. stabilize merchandise quality	stabilize competition quality	4.40
2.4.2. control competition quality	improve competition quality	4.53
3.3.1. honest advertise	---eliminated---	3.85
4.1.1. promote sport in school	promote sport in school and community	4.66
4.1.3. assist education activity in school	assist education activity in school and community	4.53
4.3.3. hold cultural exhibition	hold sport exhibition	4.53

4. Discussion

This study constructed CSR indicators of professional sport organization from literature review, in-depth interview, and Delphi technique. The results of Delphi technique addressed 4 dimensions, 13 major indicators, and 56 indicators. The findings are discussed as follows.

The results revealed that Enhance performance of professional sport organization, maintain competitiveness of professional sport organization, and protect stakeholders' benefits appears to be important factors in sport organizations' economic responsibility. The ultimate goal of enhancing performance of professional sport organization was to increase their profitability and stabilize operation, and then make contributions to the society. These findings ties in with earlier work by Carroll and Shabana (2010) that enterprises need to have profitability then fulfill their corporate social responsibility (Carroll & Shabana, 2010) and Huang (1994) that professional sport organizations have to value players' rights.

The results shown that obey law and regulations, conform international labor standards, environmental protection, and provide safe merchandise and service appears to be important factors in sport organizations' legal responsibility. The rules and regulations were created for the interests of the majority, thus all people, organizations, and enterprises are required to comply with (Carroll, 1979, 1999). These findings are consistent with earlier research by Huang (1994), which the relationship between sport and environment are inseparable, it's every sportsman's duty and responsibility to protect environment.

The results indicated that assist domestic sport development, assist employees' career development, and value stakeholders' rights appear to be important factors in sport organizations' ethical responsibility. From the sport organization managements' point of view, doping and sportsmanship issues are overlapped with hypocrisy, once players' unethical behavior was exposed, many team managers would use CSR (doing good things) to avoid criticism strategically (Sheth & Babiak, 2010). These findings ties in with earlier work Smart and Rechner (2007), CSR is an important strategy used by organizations to manage their reputation.

The results revealed that promote sport, education, and health program, assist charity or social vulnerable groups, and enhance community's life quality appears to be important factors in sport organizations' philanthropic responsibility. Philanthropic events are most popular CSR practice in professional sport organizations (Sheth & Babiak, 2010). These findings are consistent with earlier research by Godfrey (2009) that sport organizations already devoted to promote community activities (e.g. stay-in-school initiatives) which have positive impacts to the society. By improving the relationship between sport organizations and local community, it may attain local fans' support, and then willing to buy tickets and merchandise (Sheth & Babiak, 2010).

References

- Babiak, K. (2010). The role and relevance of corporate social responsibility in sport: A view from the top. *Journal of Management & Organization*, 16(4), 528-549.
- Babiak, K., & Trendafilova, S. (2011). CSR and environmental responsibility: Motives and pressures to adopt green management practices. *Corporate Social Responsibility and Environmental Management*, 18(1), 11-24. <http://dx.doi.org/10.1002/csr.229>
- Babiak, K., & Wolf, R. (2006). More than just a game? Corporate social responsibility and super bowl XL. *Sport Marketing Quarterly*, 15(4), 214-222. <http://dx.doi.org/10.4236/sn.2014.32018>
- Babiak, K., & Wolf, R. (2009). Determinants of corporate social responsibility in professional sport: Internal and external factors. *Journal of Sport Management*, 23(6), 711-742.
- Babiak, K., Mills, B., Tainsky, S., & Juravich, M. (2012). An investigation into professional athlete philanthropy: Why charity is part of the game. *Journal of Sport Management*, 26, 159-176.
- Bradish, C., & Cronin, J. J. (2009). Corporate social responsibility in sport. *Journal of Sport Management*, 23(6), 691-697.
- Bravo, R., Matute, J., & Pina, J. M. (2012). Corporate social responsibility as a vehicle to reveal the corporate identity: A study focused on the websites of Spanish financial entities. *Journal of Business Ethics*, 107(2), 129-146. <http://dx.doi.org/10.1007/s10551-011-1027-2>
- Carroll, A. B. (1979). A three-dimensional conceptual model of corporate performance. *Academy of Management Review*, 4(4), 497-505. <http://dx.doi.org/10.5465/AMR.1979.4498296>
- Carroll, A. B. (1999). Corporate social responsibility evolution of a definitional construct. *Business & society*, 38(3),

268-295. <http://dx.doi.org/10.1177/000765039903800303>

- Carroll, A. B., & Shabana, K. M. (2010). The business case for corporate social responsibility: A review of concepts, research and practice. *International Journal of Management Reviews*, 12(1), 85-105. <http://dx.doi.org/10.1111/j.1468-2370.2009.00275.x>
- Chang, R. D., & Fang, C. J. (2006). Effects of the information disclosure and evaluation system on earnings management. *The International Journal of Accounting Studies*, 42, 1-22.
- Chang, S. S., Tsai, C. L., & Hong, C. W. (2010). The study of career planning of elite athletes in Taiwan (Sac-Exc-098 -01-021). Retrieved from Sports Administration Ministry of Education website: <http://www.sa.gov.tw/wSite/public/Data/f1387368854175.pdf>
- Dahlsrud, A. (2008). How corporate social responsibility is defined: An analysis of 37 definitions. *Corporate Social Responsibility and Environmental Management*, 15, 1-13. <http://dx.doi.org/10.1002/csr.132>
- FIFA. (2006). *FIFA and the environment*. Retrieved from Federation Internationale de Football Association web site: <http://www.fifa.com/aboutfifa/socialresponsibility/environmental.html>
- Giannarakis, G., Litinas, N., & Theotokas, I. (2011). A Delphi study to identify corporate social responsibility indicators: The case of Greek telecommunication sector. *Journal of sustainable development*, 4(2), 16-32. <http://dx.doi.org/10.5539/jsd.v4n2p16>
- Godfrey, P. C. (2009). Corporate social responsibility in sport: An overview and key. *Journal of Sport Management*, 23(6), 698-716.
- Hamil, S., Walters, G., & Watson, L. (2010). The model of governance at FC Barcelona: Balancing member democracy, commercial strategy, corporate social responsibility and sporting performance. *Soccer & Society*, 11(4), 475-504. <http://dx.doi.org/10.1080/14660971003780446>
- Hong, C. W. (2006). The study of building two major student athletic games' regulations. *Quarterly of Chinese Physical Education*, 20(4), 49-59.
- Huang, F. C. (1994). Economic development and sport ethics. *Physical Education Journal*, 18, 79-88.
- Inoue, Y., Kent, A., & Lee, S. (2011). CSR and the bottom line: Analyzing the link between CSR and financial performance for professional teams. *Journal of Sport Management*, 25(6), 531-549.
- Inoue, Y., & Kent, A. (2012). Investigating the role of corporate credibility in corporate social marketing: A case study environmental initiatives by professional sport organizations. *Sport Management Review*, 15, 330-344. <http://dx.doi.org/10.1016/j.smr.2011.12.002>
- Lee, M. H., & Hsu, Y. C. (2008). A study of the key success factors of the operational performance of leisure farms from the view point of the balanced scorecard. *Taiwanese Agricultural Economic Review*, 14(1), 111-148.
- NBA (2012). *CBA 101: Highlights of the 2011 collective bargaining agreement between the national basketball association (NBA) and the national basketball players association (NBPA)*. Retrieved from National Basketball Association web site: http://www.nba.com/media/CBA101_9.12.pdf
- Peloza, J., & Shang, J. (2011). How can corporate social responsibility activities create value for stakeholders? A systematic review. *Journal of the Academy of Marketing Science*, 39(1), 117-135. <http://dx.doi.org/10.1007/s11747-010-0213-6>
- Plewa, C., & Quester, P. G. (2011). Sponsorship and CSR: Is there a link? A conceptual framework. *International Journal of Sports Marketing & Sponsorship*, 12(4), 301-317.
- Rosca, V. (2011). Corporate social responsibility in English football: History and present. *Management & Marketing Challenges for the Knowledge Society*, 6(2), 327-346.
- Sheth, H., & Babiak, K. M. (2010). Beyond the game: Perceptions and practices of corporate social responsibility in the professional sport industry. *Journal of Business Ethics*, 91(3), 433-450. <http://dx.doi.org/10.1007/s10551-009-0094-0>
- Smith, A. C. T., & Westerbeek, H. M. (2007). Sport as a vehicle for deploying corporate social responsibility. *Journal of Corporate Citizenship*, 25, 43-54. <http://dx.doi.org/10.9774/GLEAF.4700.2007.sp.00007>
- Taneja, S. S., Taneja, P. K., & Gupta, R. K. (2011). Research in corporate social responsibility: A review of shifting focus, paradigm, and methodologies. *Journal of Business Ethics*, 101(3), 343-364.

<http://dx.doi.org/10.1007/s10551-010-0732-6>

- Tari, J. J. (2011). Research into quality management and social responsibility. *Journal of Business Ethics*, 102(4), 623-638. <http://dx.doi.org/10.1007/s10551-011-0833-x>
- Tsai, P. T., Cheng, T. F., & Chang, H. C. (2012). A study on constructing performance evaluation indicators for the operation of public museums in Taiwan. *Journal of Management*, 29(3), 187-206.
- Tu, I. L. (2009). *A study on develop indicator for corporate social responsibility* (Unpublished doctoral dissertation of master's thesis). Lunghwa University of Science and Technology, Taoyuan city.
- Turker, T. (2009). Measuring corporate social responsibility: A scale development study. *Journal of Business Ethics*, 85(4), 411-427. <http://dx.doi.org/10.1007/s10551-008-9780-6>
- Walker, M., & Kent, A. (2009). Do fans care? Assessing the influence of corporate social responsibility on consumer attitudes in the sport industry. *Journal of Sport Management*, 23(6), 743-769.
- Walker, M., & Parent, M. M. (2010). Toward an integrated framework of corporate social responsibility, responsiveness, and citizenship. *Sport Management Review*, 13, 198-213. <http://dx.doi.org/10.1016/j.smr.2010.03.003>
- Walker, M., Heere, B., Parent, M. M., & Drane, D. (2010). Social responsibility and the Olympic Games: The mediating role of consumer attributions. *Journal of Business Ethics*, 95(4), 659-680. <http://dx.doi.org/10.1007/s10551-010-0445-x>
- Walker, M., Kent, A., & Vincent J. (2010). Communicating socially responsible initiatives: An analysis of U.S. professional teams. *Sport Marketing Quarterly*, 19(4), 187-195.
- Walter, G., & Tacon, R. (2010). Corporate social responsibility in sport: Stakeholder management in the UK football industry. *Journal of Management & Organization*, 16(4), 566-586. <http://dx.doi.org/10.5172/jmo.2010.16.4.566>
- Wood, D. J. (2010). Measuring corporate social performance: A review. *International Journal of Management Review*, 12(1), 50-84. <http://dx.doi.org/10.1111/j.1468-2370.2009.00274.x>