Chapter 7
Corporate Social Responsibility and Sporting Events

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ABSTRACT

All businesses are expected to behave in socially responsible ways. These responsibilities include ethical treatment of employees and all stakeholders, addressing environmental issues in a sustainable manner, and contributing to the community. Corporate social responsibility is not just a concern for the manufacturers of products, but extends to all business organizations including professional teams and sporting organizations. The chapter discusses the importance of corporate socially responsible behavior and then focuses on the importance of such behavior by sporting teams and organizations. A specific discussion is presented about the responsible social behavior undertaken by the National Football League, Major League Baseball, NASCAR, Formula I racing, FIFA, the English Premier League, and the Olympic Games.

INTRODUCTION

This chapter will focus on the importance of all organizations to act in ways that demonstrate corporate social responsibility (CSR) in today’s globally wired world. Instant global communication via sites such as Twitter, YouTube and Facebook communicate news and opinions virtually in an instant and can have devastating effects on an organization that is perceived as acting in a way that is not socially responsible. Given this concern about socially responsible behavior, both real and perceived, sports leagues and organizations world-wide are taking on a variety of programs to enhance the perception of the public about their role in society above and beyond just being providers of entertainment.

The discussion will begin with a detailed look at the importance of socially responsible organizational behavior. A link will be established between successful organizations and those that are perceived as acting in socially responsible ways. After the importance of socially responsible behavior is presented, the chapter will focus on major sports leagues and global sporting events from the perspective of the degree to which each has (or has not) addressed the issues of CSR. A detailed discussion will be presented that will examine
the major sporting leagues in North America and Europe as well as global sporting events including the Summer and Winter Olympics.

BACKGROUND: THE IMPORTANCE OF CORPORATE SOCIAL RESPONSIBILITY

In today’s global environment, all business organizations whether they are producers of products or service providers expected to exhibit socially responsible corporate behavior. Viriyavidhayavongs and Yoithmontree (2002) provide a definition of corporate social responsibility as the opinions of consumers, without regard to empirical evidence, regarding the corporate social values that a given organization exhibits. As the definition describes, it is not enough for a given organization to act in a socially responsible way, it must communicate that message to those people to whom it matters. Argandona and Weltzien Hoivik (2009) describe CSR as the obligation that a given organization has to return some type of benefit to the community in which it exists. A community may receive benefit in the form of social, economic or environmental support and the organization must address internal and external issues in an equally responsible way.

During the second half of the twentieth century a variety of questionable business practices and the headlines generated by major corporate scandals such as Tyco and Enron raised the consciousness of the importance of socially responsible corporate behavior. The perspective that emerged from the wake of the corporate misdeeds was that corporate socially responsible behavior is an obligation to focus on minimizing any potentially harmful effect on society while conducting business (Mohr, Webb & Harris, 2001). Much of the literature that was published around the turn of the 21st century agrees regarding the importance of socially responsible corporate behavior.

The literature on corporate social responsibility is consistent in the message regarding the importance of all types of organizations to behave in a socially responsible way. This perspective was clearly stated by Murphy (2010) that “in today’s wired and transparent global economy, companies that ‘out behave’ their competitors ethically will also tend to outperform them financially” (p.90). Guzman and Paswan (2009) offered a similar perspective with the contention that an organization cannot be separated from society. This is of particular importance for a sporting organization in that much of the identity that is developed is based in a societal context. Given today’s instant global communication, any transgression committed by a team’s organization or a player on a given squad will get international attention in a very short period of time.

Any given organization has its reputation built on a complex series of issues. Perez (2009) contends that environmental factors are an important component in the perception of that organization both internally as well as by the general public. Several key elements are included in the development of this image, which include social trends as well as the treatment of human rights. The concern about human rights and safety has recently driven the National Football League (NFL) in the United State to update helmet requirements and amend game rules to address concerns about head injuries and concussions (Venables, 2013). This will be discussed in detail later in the chapter. In part, the NFL addressed the head injury issue given the media coverage the issue was receiving.

Mitra, Raymond and Hopkins (2008) contend that an organization’s ability to sell its product is directly affected by the perceptions created in the media. Given 24-hour news, sports and Internet coverage, any issue that gets traction can create a difficult marketing issue for a sports league. The addressing of the safety issues relative to head injuries by the National Football League has, in part, been driven by greater concern and under-