An Overview of Corporate Social Responsibility and the Use of CSR Initiatives in Sport Industry in the United States

Geumchan Hwang[1]*
Western Michigan University, 1903 W Michigan Ave, Kalamazoo, MI 49008
geumchan.hwang@wmich.edu

Benjamin Colin Cork[2]*
Western Michigan University, 1903 W Michigan Ave, Kalamazoo, MI 49008
colin.cork@wmich.edu

Abstract
The concept of CSR has been widely discussed since 19th century and it has been recognized as one of the most effective marketing and management strategies for business organizations. Despite the popularity of CSR, there has been a controversial issue as to defining the concept of CSR. In particular, the concept of CSR in sport industry in the United States has been recognized as an "ambitious" but "ambiguous" concept. This study aims to review the history of CSR and how it has been used in the sport industry in the United States. Specifically, this study focuses on reviewing historical background of CSR and the issue of defining CSR, and how strategically the concept of CSR has been utilized to attract sport fans in professional sport teams and leagues in the United States. This study provides sport marketers with practical implications regarding CSR marketing strategies based on specific examples of CSR initiatives used in the field of sport in the United States.
Keywords: corporate social responsibility; CSR initiatives; sport industry; professional sport
DOI: 10.7176/JMCR/92-02
Publication date: January 31st 2024

1. Defining Corporate Social Responsibility

The concept of CSR has been recognized as one of the most effective marketing strategies for corporations through diverse initiatives related to social issues such as poverty, social exclusion, and environmental problems (Van Marrewijk, 2003). However, a question has been raised as to broad and unclear concepts of CSR and its scope (Banerjee, 2001; Henderson, 2001; Van Marrewijk, 2003).

Regarding the concept of CSR, historically, two perspectives have been discussed, as a means of strategy or obligations that corporations should do the right things. Some researchers have defined the concept of CSR as an effective marketing vehicle to generate more profits for corporations (Lantos, 2001) or to enhance corporations' brand images (Lewis, 2003). However, others have argued that the concept of CSR should be focused more on corporations' obligations because it is the most important job that they have to do for society (Novak, 1996; Trevino & Nelson, 1999). To provide a clear definition of CSR, Dahlsrud (2008) analyzed 37 definitions of CSR from existing definitions in the literature and categorized those definitions into five dimensions: environmental, social, economic, stakeholder, and voluntariness dimension.

Van Marrewijk (2003) also categorized the concepts of CSR into 4 approaches based on historical perspectives from the academic literature: Shareholder, stakeholder, societal, and philanthropic approach. The shareholder approach is traditional view of CSR, which focuses more on maximizing organizations' profits for shareholders' benefits (Friedman, 1962; Van Marrewijk, 2003). As opposed to the shareholder approach, the stakeholder approach emphasizes stakeholders' interests associated with organizations' objectives (Freeman, 1984; Van Marrewijk, 2003). The societal approach focuses on organizations' responsibilities that should contribute to society and the philanthropic approach is related to how organizations should consider their positions in society and concerns about social issues (Van Marrewijk, 2003).

In addition, Mintzberg (1983) classified the notion of CSR into four forms according to ethical stance. First, corporations focus on their CSR activities without any expectations from those activities and they regard CSR activities as their responsibilities for society because "that is the noble way for corporations to behave." A second form is that corporations expect "enlightened self-interest" when their CSR activities are undertaken. A third form of CSR is regarded as "investment" to gain more benefits by conducting socially responsible behaviors. The fourth form of CSR is that corporations become socially responsible in order to "prevent the authorities forcing them to be so via legislation" (Wan-Jan, 2006, p. 178).

Lantos (2001) also categorized the concepts of CSR into three types, ethical, altruistic, and strategic CSR. The ethical CSR means carrying out the organizations' ethical obligations, which is called "social responsibility" in that "a corporation is morally responsible to any individuals or groups where it might inflict actual or potential injury (physical, mental, economic, spiritual and emotional) from a particular course of action" (p. 606). Altruistic CSR indicates "genuine optional caring" to "be a good corporate citizen by giving back to society" and includes

"all philosophies, policies, procedures and actions intended to enhance society' welfare" (p. 608-609). The goal of strategic CSR is to "accomplish strategic business goals – good deeds are believed to be good for business as well as for society" (p. 618). Finally, Carroll (1979) defined social responsibility as obligations that business has to do for society and categorized into the four groups: economic, legal, ethical, and discretionary category. In defining the concept of CSR, recent studies consider together both altruistic intentions that contribute society and strategic intentions as investments that benefit corporations as well as stakeholders (Schwartz, 1997).

2. The History of CSR

The origin of CSR traces back to late 1800s. CSR at the early stage has been practiced in the form of charitable donation or giving philanthropy (Sethi, 1977). However, many studies of CSR attempted to address how the concept of CSR has been grounded in the idea of individual giving or organizational giving, and how the concept has been developed into 'social responsibility' since early 1900s (Altman, 1998; Godfrey, 2005; Lantos, 2001; Popiolek, 2007; Vidaver-Cohen & Altman, 2000). Lewis (1976), the author of the book "The public image of Henry Ford: An American folk hero and his company," noted that the Ford Motor Company focused on people's concerns about their business in mission statement in 1917. Although this is the initial mention associated with the notion of CSR in the history, it was not an official reference that focused on "social responsibility" directly. The concept of CSR begun to develop in Early 1930s by Wendell Wilkie who was the first leader of corporate responsibility and "helped educate the businessman to a new sense of social responsibility" (Carroll, 1979, p. 497; Cheit, 1964, p. 157; Popiolek, 2007, p. 9).

In 1953, initial terminology of CSR has been used as a term of social responsibility of business in the book, "Social Responsibilities of the Businessman," written by Bowen (1953) who is called as "father of CSR," and it has been used as the term, Corporate Social Responsibility (CSR), since that time (Garriga & Mel´e, 2004, p. 51). By the mid-1950s, the concept of corporate social responsibility has been widely discussed in the field of business (Carroll, 1979). In 1960s, there has been a great deal of variation in understanding the concepts of CSR. Davis (1960) maintained that the concept of CSR should be referred to as "businessmen's decisions and actions taken for reasons at least partially beyond the firm's direct economic or technical interest" (p. 70).

On the other hand, Eells and Walton (1961) argued that the concept of CSR should be considered regarding ethical principles of the relationship between the corporations and society. In a similar vein, McGuire (1963) suggested that the idea of corporate social responsibility should be extended to contribute to society beyond the scope of economic and legal obligations in business. The discrepancy of understanding concepts of CSR had continued in 1970s. Backman (1975) asserted CSR should be considered with diverse objectives in business as well as economic profits. In the same context, Carroll (1979, 1999) developed the CSR concept and classified CSR into four types of responsibilities: philanthropic, ethical, legal, and economic responsibilities. The concept of CSR today originated and developed from the notion that corporations should consider their responsibilities that go beyond the legal obligations (Bronn & Vrioni, 2001).

3. CSR in Sport Industry in the United States

CSR has become an increasingly popular theme to sport organizations (Babiak & Wolfe, 2006). Despite CSR has been considerable attention in the field of business since early 1900s, the concept of CSR has begun to play a significant role in the realm of sport in recent years (Babiak & Wolfe, 2006; Kott, 2005). The concept of CSR in the sport industry has been recognized as an "ambitious" and "ambiguous" concept at the same time (Bradish & Cronin, 2009, p. 693). Principles and practices of CSR have been applied to sport athletes, leagues, and organizations (Bradish & Cronin, 2009). However, it has only recently been examined the concept of CSR within the field of sport management over the past few decades (Bradish & Cronin, 2009; Breitbarth & Harris, 2008; Walker & Kent, 2009; Walker, Kent, & Rudd, 2007). Bradish and Cronin (2009) categorized four themes of CSR in sport management. First, one of the most frequently examined works of CSR is Cause-Related Marketing (CRM) in the sport industry (Bradish & Cronin, 2009; Irwin, Lachowetz, Cornwell, & Clark, 2003; Lachowetz & Gladden, 2003; McGlone & Martin, 2006; Roy & Graeff, 2003). Second theme of CSR in sport is about civic engagement and community outreach through charitable sporting events (Babiak & Wolfe, 2006; Bradish & Cronin, 2009; McCullough, & Trail, 2023; Se´guin, Parent, & O´Reilly, 2010). Third theme of CSR in sport is related to environmental sustainability (Babiak & Trendafilova, 2009; Bradish & Cronin, 2009; Ioakimidis, 2010) and the last theme of CSR in sport is about corporate citizenship (Bradish & Cronin, 2009; Mallen, Bradish, & MacLean, 2008).

Smith and Westerbeek (2007) developed unique characteristics of CSR in sport. Smith and Westerbeek (2007) examined how sport organizations deploy CSR initiatives for stakeholders, and found that CSR initiatives in sport have unique features:1) they hold significant mass media distribution and communication power (Smith & Westerbeek, 2007; Westerbeek & Smith, 2003; Wright, 1999), 2) they appeal to young people and encourage the involvement of parents, peers and so on (Smith & Westerbeek, 2007; Stewart, Nicholson, Smith, & Westerbeek, 2004), 3) they provide positive health impacts to society (Headley, 2004; Smith & Westerbeek, 2007), 4) they

encourage social interaction (Case, 2005; Morris, Sallybanks, Willis, & Makkai, 2004; Smith & Westerbeek, 2007), 5) they are connected to environmental sustainability awareness, 6) they offer an opportunity to understand diverse cultural values (Lenskyj, 2002; Smith & Westerbeek, 2007), and 7) they provide immediate gratification benefits such as fun and satisfaction (Smith & Westerbeek, 2007; Strean & Holt, 2001).

The main topics of CSR in professional sport have been focused on sport philanthropy, community outreach, or cause-related marketing in sport teams and leagues (Babiak, Mills, Tainsky, & Juravich, 2012; Babiak & Wolfe, 2006, 2009; Breitbarth & Harris, 2008; Sheth & Babiak, 2010; Smith & Westerbeek, 2007; Walker & Kent, 2009). Numerous examples of CSR initiatives in professional sport teams have been addressed. Some examples of these initiatives are Philadelphia Eagles' "Go Green" and "Youth Partnership" initiatives, the Toronto Maple Leafs' "Be our guest" and "Leafs at School" programs, and the Minnesota Timberwolves' "Fast-Break Foundation" (Walker, Kent, & Vincent, 2010, p. 187). In addition to CSR initiatives at the sport team level, professional leagues also have diverse CSR initiatives, such as NHL's "Hockey Fights Cancer" and "Green Partnership," the NBA's "Read to Achieve" and "Basketball Without Borders," the PGA tour's "Giving Back" initiative, NASCAR's "Drive for Diversity" and the NFL's "Play 60" campaign (Walker et al., 2010, p. 187).

Sport philanthropy has become an effective way to attract sport fans in the professional sport industry in North America over the past decades (Babiak et al., 2012; Babiak & Wolfe, 2009; Sheth & Babiak, 2010). The concept of sport philanthropy has been applied to professional sport industry through athletic celebrities such as Andre Agassi, Tiger Woods, and Lance Armstrong (Babiak et al., 2012). Professional sport teams take advantage of CSR initiatives to maintain the good relationship with the local community and to improve fan engagement (Babiak & Wolfe, 2006). In the same context, many professional sports leagues, including four major professional sports (i.e., NFL, MLB, NBA, and NHL) are closely engaged in extensive community focused initiatives (Lacey & Kennett-Hensel, 2010). Finally, CSR initiatives in professional sport play an important role in resolving social issues, such as environmental issues, racial issues, gender inequality issues, and so on (Smith & Westerbeek, 2007).

4. Discussion

This study reviewed history of CSR and how CSR initiatives have been utilized in sport industry in the United States. From a marketing perspective, it is important to understand how the concept of CSR has been historically defined and how it can be applied to the field of sport. In particular, this study presented specific examples of CSR initiatives used for sport organizations in the United States. In this sense, the study provides sport marketers with practical implications as to developing an effective CSR marketing strategy. However, the study only reviewed previous literature and did not conduct the study with collected data. Therefore, future research should be conducted in the form of empirical studies for better understanding how CSR initiatives impact sport fans and organizations.

References

Altman, B. W. (1998). Corporate community relations in the 1990s: A study in transformation. *Business and Society, 37*(2), 221-227.

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*(2), 159-176.

Babiak, K., & Trendafilova, S. (2009). *Corporate social responsibility in professional sport: Motives to be 'green.'* In P. Rodriguez, S. Kesenne, & J. Garcia (Eds.), Social responsibility and sustainability in sports. Oviedo, ES: Oviedo University Press.

Babiak, K., & Wolfe, R. (2006). More than just a game? Corporate social responsibility and super bowl XL. *Sport Marketing Quarterly, 15*(4), 214-222.

Babiak, K., & Wolfe, R. (2009). Determinants of corporate social responsibility in professional sport: Internal and external factors. *Journal of Sport Management, 23*(6), 717-742.

Backman, J. (1975). *Social responsibility and accountability*. New York, NY: New York University Press.

Banerjee, S. B. (2001). Corporate citizenship and indigenous stakeholders: Exploring a new dynamic of organizational stakeholder relationships. *Journal of Corporate Citizenship, 1*, 39-55.

Bowen, H. (1953). *Social responsibilities of the businessman*. New York, NY: Harper.

Bradish, C., & Cronin, J. J. (2009). Corporate social responsibility in sport. *Journal of Sport Management, 23*(6), 691-697.

Breitbarth, T., & Harris, P. (2008). The role of corporate social responsibility in the football business: Towards the development of a conceptual model. *European Sport Management Quarterly, 8*(2), 179-206.

Bronn, P. S., & Vrioni, A. B. (2001). Corporate social responsibility and cause-related marketing: An overview. *International Journal of Advertising, 20*(2), 207-222.

Carroll, A. B. (1979). A three-dimensional conceptual model of corporate performance. *Academy of Management Review, 4*(4), 497-505.

Case, A. (2005). Playgrounds for peace. *Parks and Recreation, 40*(4), 42-46.

Cheit, E. F. (1964). *The business establishment*. New York, NY: Wiley.
Dahlsrud, A. (2008). How corporate social responsibility is defined: An analysis of 37 definitions. *Corporate Social Responsibility and Environmental Management, 15*(1), 1-13.
Davis, K. (1960). Can business afford to ignore social responsibilities? *California Management Review, 2*(3), 70-76.
Eells, R., & Walton, C. (1961). *Conceptual foundations of business*. Homewood, IL, Richard D. Irwin.
Freeman, R. E. (1984). *Strategic Management: A stakeholder approach*. Marshfield, MO: Pitman Publishing Inc.
Friedman, M. (1962). *Capitalism and freedom*. Chicago, IL: University of Chicago Press.
Garriga, E., & Mel´e, D. (2004). Corporate social responsibility theories: Mapping the territory. *Journal of Business Ethics, 53*(1), 51-71.
Godfrey, P. C. (2005). The relationship between corporate philanthropy and shareholder wealth: A risk management perspective. *The Academy of Management Review, 30*(4), 777-798.
Headley, S. (2004). Background notes on obesity and sport in young Australians. *Youth Studies Australia, 23*(1), 42-46.
Henderson, D. (2001). *Misguided virtue. False notions of corporate social responsibility*. Wellington, New Zealand: New Zealand Business Round Table.
Ioakimidis, M. (2010). Online marketing of professional sport clubs: Engaging fans on a new playing field. *International Journal of Sports Marketing & Sponsorship, 11*(4), 271-282.
Irwin, R. L., Lachowetz, T., Cornwell, T. B., & Clark, J. S. (2003). Cause-related sport sponsorship: An assessment of spectator beliefs, attitudes, and behavioral intentions. *Sport Marketing Quarterly, 12*(3), 131- 139.
Kott, A. (2005). The philanthropic power of sport. *Foundation News and Commentary*, January/February, 20- 25.
Lacey, R., & Kennett-Hensel, P. A. (2010). Longitudinal effects of corporate social responsibility on customer relationships. *Journal of Business Ethics, 97*(4), 581-597.
Lachowetz, T., & Gladden, J. (2003). A framework for understanding cause-related sport marketing programs. *International Journal of Sports Marketing and Sponsorship, 4*(4), 27-47.
Lantos, G. P. (2001). The boundaries of strategic corporate social responsibility. *Journal of Consumer Marketing, 18*(7), 595-632.
Lenskyj, H. (2002). *The best Olympics ever: Social impacts of Sydney 2000*. Albany, NY: State University of New York Press.
Lewis, D. L. (1976). *The public image of Henry Ford: An American folk hero and his company*. Detroit, MI: Wayne State University Press.
Lewis, S. (2003). Reputation and corporate responsibility. *Journal of Communication Management, 7*(4), 356-366.
Mallen, C., Bradish, C., & MacLean, J. (2008). Are we teaching corporate citizens? Examining corporate social responsibility and sport management pedagogy. *International Journal of Sport Management and Marketing, 4*(2-3), 204-224.
McCullough, B. P., & Trail, G. T. (2023). Assessing key performance indicators of corporate social responsibility initiatives in sport. *European Sport Management Quarterly, 23*(1), 82-103.
McGlone, C., & Martin, N. (2006). Nike's corporate interest lives strong: A case of cause-related marketing and leveraging. *Sport Marketing Quarterly, 15*(3), 184-188.
McGuire, J. W. (1963). *Business and society*. New York, NY: McGraw-Hill.
Mintzberg, H. (1983). The case for corporate social responsibility. *Journal of Business Strategy, 4*(2), 3-15.
Morris, L., Sallybanks, J., Willis, K., & Makkai, T. (2004). Sport, physical activity and antisocial behavior in youth. *Youth Studies Australia, 23*(1), 47-52.
Novak, M. (1996). *Business as a calling: Work and the examined life*. New York, NY: The Free Press.
Popiolek, M. D. (2007). Corporate social responsibility. Case in Poland (Master's thesis). Retrieved from http://pure.au.dk/portal/files/1556/000160991-160991.pdf
Roy, D. P., & Graeff, T. R. (2003). Consumer attitudes toward cause-related marketing activities in professional sports. *Sport Marketing Quarterly, 12*(3), 163-172.
Schwartz, J. (1997). *Corporate philanthropy today: From A. P. Smith to Adam Smith. In J. W. Barry and B. V. Manno (eds)*. Getting Better, Giving Smarter: Working papers of the national commission on philanthropy and civic renewal. Washington DC: National Commission on Philanthropy and Civic Renewal.
Se´guin, B., Parent, M. M., & O´Reilly, N. (2010). Corporate support: A corporate social responsibility alternative to traditional event sponsorship. *International Journal of Sport Management and Marketing, 7*(3-4), 202-222.
Sethi, S. P. (1977). *Advocacy advertising and large corporations*. Lexington, MA: Lexington Books.
Sheth, H., & Babiak, K. (2010). Beyond the game: Perceptions and priorities in corporate social responsibility in the sport industry. *Journal of Business Ethics, 91*(3), 433-450.
Smith, A. C. T., & Westerbeek, H. M. (2007). Sport as a vehicle for deploying corporate social responsibility. *Journal of Corporate Citizenship, 25*(1), 43-54.
Stewart, B., Nicholson, M., Smith, A., & Westerbeek, H. (2004). *Australian sport: Better by design. The evolution*

of Australian sport policy. London, UK: Routledge.
Strean, W., & Holt, N. (2001). Coaches', athletes' and parents' perceptions of fun in youth sports: Assumptions about learning and implications for practice. *Avante, 63*, 1-14.
Trevino, L. K., & Nelson, K. A. (1999). *Managing business ethics: Straight talk about how to do it right. 2nd ed*. New York, NY: John Wiley and Sons.
Van Marrewijk, M. (2003). Concepts and definitions of CSR and corporate sustainability: Between agency and communion. *Journal of Business Ethics, 44*(2), 95-105.
Vidaver-Cohen, D., & Altman, B. W. (2000). Concluding remarks. Corporate citizenship in the new millennium: Foundation for an architecture of excellence. *Business and Society Review, 105*(1), 145-168.
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. B., Kent, A., & Rudd, A. (2007). Consumer reactions to strategic philanthropy in the sport industry. *Business Research Yearbook: Global Business Perspectives, 14*, 926-932.
Walker, M. B., Kent, A., & Vincent, J. (2010). Communicating socially responsible initiatives: An analysis of U. S. professional teams. *Sport Marketing Quarterly, 19*(4), 187-195.
Wan-Jan, W. S. (2006). Defining corporate social responsibility. *Journal of Public Affairs, 6*(3-4), 176-184.
Wright, G. (1999). Sport and globalization. *New Political Economy, 4*(2), 267-281.