

**Types of CSR Initiatives and Fans Social Outcomes:
The Case of Professional Sport Organization**

Yoseph Mamo, Louisiana State University
Kwame Agyemang, Ohio State University
Damon Andrew, Florida State University

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**25-minute oral presentation
(including questions)**

A great deal of research has examined CSR and the potential value it has for a sport organization its stakeholders (Babiak & Wolfe, 2009; Walzel et al., 2018). Although the literature shows the benefits of CSR on different perspectives, much of the work thus far has reported extensively on the meso-level (e.g., corporate image, organizational performance, and loyalty). CSR studies within sport management have focused on the strategic payback of CSR for sport organizations as entities rather than the actual benefits of CSR for the intended beneficiaries (Babiak & Kihl, 2018; Walker, Hills, & Heere, 2017). While the most important factor to involve in CSR activities was to seek and satisfy the social needs, it remains unclear whether sport organizations actually implement meaningful CSR initiatives that directly affect external stakeholder (i.e., fans, customers, and program recipients) interests (Barnett, 2016).

An increasing number of scholars have argued for the importance of prioritizing and balancing different stakeholders' needs in order to launch effective CSR (Barnett, 2016; Breitbarth et al., 2015). This is vital since multiple stakeholders' responses to CSR might be positive, neutral or negative (Wang et al., 2016) due to their experiences and expectations. Such expectations may arise from fans, sponsors, owners, professional organizations, governments, and family members, among others (Babiak et al., 2013). The way each stakeholder makes sense of CSR is critically important and determined by their expectations. For example, fans and customers are different in the sport context. Fans are not merely consumers who desire a service but are also a part of the sport organization that helps develop a sense of community around the team (Heere & James, 2007; Madrigal, 2001). Fans are enthusiastic supporters of their team (Sloan, 1989). Accordingly, it is particularly important to examine fans' perceived social outcomes from the distinct CSR dimensions, because much of the broader CSR research reflects a macro-level analysis—the relationship between firm benefits and CSR activities (Frederick, 2016; Walker et al.,

2017). Therefore, the main objective of this study is to identify the relevant dimensions of CSR that can enhance social outcomes of one specific external stakeholder group (i.e., sports fans).

Conceptual Framework and Hypotheses

Adopting from the Kinder, Lynderberg, Domini Research, and Analytics Inc. (KLD) classifications, Babiak and Wolfe (2009) classified CSR practice in the professional sport context into philanthropy, community relations, environmental management and sustainability, diversity and equity labor relations, and corporate governance. To guide the current study, I draw from the six pillars of CSR in professional sport organizations (Babiak & Wolfe, 2009) and the social impact framework (Inoue & Havard, 2014). Although the above six pillars of CSR have been an integral part of most professional sport teams for quite a long time and are assumed to produce benefits, little is known from the micro-level.

Data were collected from ($n = 692$) U.S. sports fan over the course of two weeks. A questionnaire was developed based on the extant literature on business ethics, organizational culture, sport management, and CSR. Items were adopted from previous CSR and sport management literature measuring 10 variables: philanthropy (Lichtenstein, Drumwright, & Braig, 2004), community relations, and environmental management and sustainability (Alvarado-Herrera et al., 2017), labor relations (Oberseder et al., 2014), diversity and equity, and corporate governance (Maignan et al., Ferrell, & Hult, 1999), and perceived social outcomes (Inoue & Havard, 2014). The perceived social outcomes of the NBA CSR initiatives were measured with four first order factors. To establish that the select items appropriately represent their original scales, a panel of sport management experts consisting of four faculty members reviewed the items for content validity. Various items were dropped or modified based on their feedback. After the selection process, a total of 35 items were retained to measure the intended constructs.

The overall model fit of the structural model was assessed using goodness-of-fit indices. The model provided acceptable values for all indices ($\chi^2/df = 679.802/330 = 2.06$, CFI= .952, RMSEA = .06). The results of the full regression model were significant, and the independent variables accounted for 55.1% of the variance on fan perceived social outcomes ($R^2 = 0.551$, adjusted $R^2 = 0.543$, $F(6, 311) = 62.485$, $p < .001$). Examining each pillar of CSR, sport governance ($\beta = 0.48$, $p < .001$) was more predictive of social outcomes than environmental management and sustainability ($\beta = 0.34$, $p < .001$), and philanthropy, ($\beta = 0.15$, $p = .027$). However, community

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relations ($\beta = 0.06, p = .431$), labor relations ($\beta = -.03, p = .678$) and diversity ($\beta = -.15, p = .048$) failed to show a positive relationship with fan perceived social outcomes.

Discussion/Contributions/ Conclusions

Based on the results of the study, there are implications for professional sport organizations that are considering CSR as a tool to make a positive social change. This study provided empirical evidence for the possibility that senior managers could improve their CSR approach by performing individual-level assessments and by meeting their expectations and preferences. With this information, managers can dedicate resources to address pressing social dilemmas. Furthermore, conflicts of interest among stakeholders might be minimized. By applying micro-CSR analysis, professional sports organizations may be able to meet the fans' needs, and it would be important for them to strategically allocate their limited resources. In doing so, managers must select initiatives that are meaningful to their fans, and this may provide management with implications for effective decision making.

A second implication is that professional sports organizations must update their CSR strategy based on calls from external and internal stakeholders. An enhanced connection with key constituents could signify to what degree the sport organization signals its commitment to address pressing social concerns. Barnett (2007) asserted that "trust arises and relationships improve as stakeholders observe a firm's CSR activities (p. 800). To this end, professional sport organizations would be wise to think critically about timely concerns and develop high-impact CSR strategies to provide meaningful outcomes. Such commitment and attachment to social issues would develop and maintain trust.