The Current State of Corporate Social Responsibility Behavior in National Collegiate Athletic Association Division-I Athletic Departments

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Abstract

National Collegiate Athletic Association (NCAA) Division I athletic departments are generating revenue that would place them in comparison with Forbes100 “Best Small Business” list (Badenhausen, 2014). Corporate Social Responsibility (CSR) is the main issue that is investigated in this paper as it pertains to the actions of the Division I athletic departments. The Division I athletic departments are at the highest level in collegiate athletics based on the ability to offer more athletic scholarships to student athletes. CSR is the belief that a company should be a good citizen in society (Bowen, 2013). The paper will take a global perspective view of the CSR actions of athletic departments through a content analysis of the department’s websites for the constructs: environmental sustainability, cause related marketing, and community service. The paper serves as means for understanding if athletic departments are conducting CSR, and is the first time a content analysis has been applied to the investigation of CSR actions. The paper submits that NCAA Division I athletic departments are taking CSR actions in support of the three constructs researched.

Keywords: corporate social responsibility; college athletics; community service; cause related marketing; environmental sustainability; content analysis

1. Introduction

The increasing popularity of intercollegiate athletics in the United States has led to increase revenue for National Collegiate Athletic Association (NCAA) Division I athletic departments.

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The introduction of individual media deals for the member conferences is one of the main avenues where revenues have increased for the athletic departments. According to NCAA financial reporting from the athletic departments, the Pacific Athletic Conference (PAC-12) reported total revenues for the 12 member schools of $334 million for the 2013 fiscal year. The main enablers of the rising revenues are the individual media deals negotiated by the conferences for coverage of its member schools athletic events. The Southeastern Conference (SEC) launched its own television network in a partnership with ESPN with an estimated payout of $20.9 million annually to each member school; this amount can increase depending on the popularity of the network (Soloman, 2014). The top revenue generating athletic department in the country according the 2014 USA Today College Sports Revenue Database is The University of Texas with $165,691,486 dollars, a $2 million dollar increase from the previous year.

College athletic departments are generating as much revenue as companies listed on the Forbes “100 Small Business List” for 2014, companies on the list include Boston Beer Company, maker of Samuel Adams, Nathan's Hot Dogs, and Churchill Downs (Badenhausen, 2014). College athletic departments have long operated under the guise of a department within the university that pertains to varsity athletics. With the large amounts of revenue, in direct comparison to Forbes 100 “Best Small Companies,” are the athletic departments operating with behaviors of good citizenship to society. CSR is the believe that corporations should act in a manner that is positive towards society and work to enhance society (T. M. Jones, Indexes, Register, & Socially, 1980). Athletic departments provide educational opportunities for a college education, through the giving of scholarships or other grants in aid, in exchange for their participation and representation of the school in athletic competition. The athletic department is also responsible for providing its student athletes with life skills that will make them good citizens in society when they graduate from school.

The purpose of the study is to research the types and extend of corporate social responsibility behaviors evident on Division I athletic department websites. The paper will provide an analysis of the CSR behaviors of NCAA Division I athletic departments CSR actions through the three constructs commonly researched in the literature for analysis in college athletics: environmental sustainability, cause-related marketing, and community service (Babiak & Wolfe, 2009; Bradish, Cronin, & others, 2009).
It is the first time that a CSR content analysis of the athletic department’s website has been used. A review of the literature showed little research directly pertaining to college athletic departments. Previous literature has attempted to analyze one specific construct, while the purpose of this paper is to provide a global view of CSR behaviors of athletic departments (Babiak & Trendafilova, 2011; Babiak & Wolfe, 2006; Breitbarth & Harris, 2008; Walker & Kent, 2009; Yong Jae Ko, Yong Chae Rhee, Yu Kyoum Kim, & Taeho Kim, 2014).

2. Literature Review

2.1 Corporate Social Responsibility

Corporate social responsibility is linked to the notion that a company should be a good citizen to society because society is the one who grants the company its ability to operate (Maier, 1993). CSR was first fully introduced by Bowen in 1953 in his book *Social Responsibility and the Businessman*, and has been reproduced three times with the most recent publication in 2013 providing insight in how to carry out a CSR program in business (Bowen, 2013). The basis of CSR is that society is granting the companies the ability to operate and they should use their abilities to make a difference in society through its unique corporate abilities. CSR also provides a company with the ability to maintain a positive public relations image in society by their good deeds. It grants the company a virtual insurance policy in public relations against any of its negative attention that may arise from the company’s actions (Godfrey, 2005; Peloza, 2006; Werther Jr & Chandler, 2005).

Corporate social responsibility actions of a company affect the employees of the company as much as the actions are affecting overall society. Studies have shown that when a company is participating in CSR behaviors, overall employee satisfaction is positively correlated with the CSR behavior as well as increasing overall value of the company (Edmans, 2012). A majority of the research on CSR is focused on proving a relationship between organizational practice and performance towards social demands (Van Buren III & Greenwood, 2008). The most effective method for conducting CSR behavior in society is one where mutual benefits occur for both the company and society, resulting in a possible competitive advantage for the company conducting the CSR actions (Porter & Kramer, 2002).
When the company finds a way to conduct the CSR actions in a manner that provides a competitive advantage, it is rewarding to the employees but also increases the financial performance of the company simultaneously with CSR actions (Orlitzky, Schmidt, & Rynes, 2003). The Social Performance Model introduced by Carroll in 1979, provides a method for organizations to integrate CSR into its operation (Carroll, 1979).

Corporate social responsibility has been supported by the literature as a necessary action of companies because it is good for business and good for society. The company should look to make its CSR actions exist as one of the corporate pillars of the company.

2.2 Environmental Sustainability in Sport

Environmental sustainability is one of the three areas most commonly researched in respect to sport organizations CSR behaviors (Babiak & Trendafilova, 2011; Casper, Pfahl, McSherry, & others, 2012; Mallen, Stevens, & Adams, 2011). The main focus of environmental sustainability literature is on recycling and operating facilities in an energy efficient manner. One study examined the intentions to recycle plastic bottles by youth sports spectators, concluding that if the receptacles were made available to recycle the spectators would participate in recycling (McCullough & Cunningham, 2011). Recycling is only one small component of the environmental sustainability landscape in sport. Much of the attention has shifted towards operation of facilities in an energy efficient manner for the reduction in overall operating cost.

The environmental sustainability movement in sport has shifted towards answering the question, how can we operate our facilities at an energy efficient standard to reduce operating cost. An increase in overall education of sport management students in environmental sustainability of facility management is one of the directions taken to increase overall awareness to the issue (Mallen, Adams, Stevens, & Thompson, 2010). Overall operation of the facilities is seen as a costly venture and transforming them into environmentally sustainable areas is strongly recommended as these facilities are degrading with time (Mallen & Chard, 2012).

The Green Sports Alliance is one of the leading non-profit organizations that provide assistance through training and consulting to sports organizations looking to enhance its environmental sustainability.
The Alliance has 262 total members, with 135 venues and seven leagues across North America (Green Sports Alliance, 2014). Organizations, like the Green Sports Alliance, work to aid and encourage sport organizations to adopt environmentally sustainable efforts and facility operation.

Environmental sustainability has been shown in the literature to be a positive for the sport organization due to the financial benefit it can receive by operating its facilities in a sustainable manner. Operating the facilities in an environmentally sustainable manner also allows for a connection with its stakeholders showing it has a commitment to decreasing its environmental footprint while still offering cutting edge facilities for fans to enjoy the sporting events.

2.3 Cause Related Marketing in Sport

Cause related marketing in sport has been featured in the literature in discussion with CSR. Sports provide a unique environment for the promotion and awareness of special causes that provide benefit to society. One of the prominent cause related marketing areas in sport is breast cancer awareness and the National Football League, stemmed by the Susan G. Komen foundation (Selleck, 2010). Due to cause related marketing through sport during October, breast cancer awareness month, overall internet search activity increased (Glynn, Kelly, Coffey, Sweeney, & Kerin, 2011). Sports are a vehicle for awareness messaging due to the amount of emotion that is experienced by sports fans and compassion for a particular athlete in the case of Lance Armstrong and Nike (Irwin, Lachowetz, Cornwell, Clark, & others, 2003; Lachowetz & Gladden, 2003; McGlone, Martin, & others, 2006).

Cause related marketing presents an opportunity to raise awareness through the partnerships that are formed with sport. Sport organizations look to capitalize on this relationship by getting fans to the stadiums to see the event where the cause is being marketed and also to purchase special edition apparel, giving proceeds to the cause (Lee & Ferreira, 2011). In offering the cause related apparel it is sending the message to teams stakeholders that it is participating in CSR and is doing its part to try to benefit society (Bronn & Vrioni, 2001; Smith & Westerbeek, 2007).
The literature has shown that sports fans care about the social actions of their
teams and take this into account when they speak about their team in a favorable
manner (Walker & Kent, 2009). Cause related marketing strategy when utilized in
sport provides an arena for the fan to recognize the CSR actions of the organization
as well as support the cause being marketed.

2.4 Community Service in Sport

Community service is one of the most frequently researched areas in sport
and CSR (Kihl, Babiak, & Tainsky, 2014; Misener & Mason, 2009). A majority of the
research has centered on creating a method and delivering life skills to the student
athletes through student services departments within the college athletic departments.
The student services department creates the programs to involve the student athletes
in their local communities, serving as outreach for the university and athletic
department (Jordan & Denson, 1990). The student services department of the
athletic department play an integral part in community relations and the CSR actions
of the athletic department with the community. The college experience strives to
instill service learning in students and incoming freshman students seek to participate
in service, but barriers inherent to the university can inhibit the service participation
(Cruce & Moore, 2007). The desire from students to do service is apparent and the
schools and student services in the athletic departments can work to reduce the
barriers and encourage the participation in service projects.

The active participation in community service projects allows the local
community stakeholders to acknowledge the outreach efforts of the athletic
department (Kihl et al., 2014). The primary participants in community service for the
athletic department are student-athletes, as it provides them with added benefits in the
classroom. A positive correlation was reported between service and academic success
in the literature (Carodine, Almond, & Gratto, 2001). Contrary to Carodine, et. al.
2001, the athletic department must not over utilize the student athletes in its CSR
actions, because it is shown that it can also have a negative impact on the student

The utilization of community service provides mutual benefits to the athletic
department and the student athletes. Community service allows for a direct
relationship with the community and the ability to build relationships with
stakeholders in the community (Misener & Mason, 2009).
3. Methods

The study conducted in this paper was designed to investigate the CSR actions of NCAA Division I athletic departments through an analysis of environmental sustainability, cause related marketing, and community service. Utilizing the USA Today Financial Database of Division I athletic departments financial reporting, the top twenty-five schools were selected based on revenue generation. The breakdown by conference affiliation was SEC: 11 schools, Atlantic Coast Conference (ACC): 2 schools, BIG 10: 6 schools, Big 12: 4 schools, and Pac 12: 2 schools. Each school's athletic department was analyzed using its website to search for each of the three constructs. Student fee and internal funding data was also collected from the USA Today database.

The CSR content analysis of the athletic departments website is a first in sport management literature. The content analysis is an appropriate method of study, because the website serves as a main form of communication between organization and stakeholders (B. Jones, Temperley, & Lima, 2009; Lawrence, 2002; Opoku, Abratt, & Pitt, 2006). A search was performed using the search feature provided on the website. The results that were displayed were analyzed for content describing the actions taken for the particular construct. The content was recorded in an excel spreadsheet and validated by manually searching through the website content to make sure the search feature displayed all relevant content in regards to the constructs.

4. Results

The overall results displayed that all the athletic departments in the study are participating in CSR actions in all of the studied constructs. Community service was displayed as the dominant attribute of the CSR actions of the athletic departments. Environmental sustainability was the weakest area displayed from the content analysis. Cause related marketing was a part of every athletic department CSR actions, following the model introduced by the NFL in its effort to raise awareness for breast cancer.
4.1 Environmental Sustainability

Environmental sustainability appeared in the content of every athletic department website that was included in this study. The most commonly reported effort to increase environmental sustainability was to promote a “Go Green” game centered around a football game, typically in the beginning of the season not played against a conference opponent. A majority of the athletic departments reported a partnership with the sustainability office in the school. One school displayed an innovative approach to environmental sustainability, including having its own advisory board composed of coaches, student athletes, and staff.

4.2 Cause Related Marketing

Cause related marketing was displayed as a construct that was utilized frequently to raise awareness for cancer. Breast cancer was the predominant cause that marketed in association with events in the athletic department. Other causes that were reported were: prostrate cancer, leukemia, childhood obesity, and seizures. All of the sports in the athletic department took part in cause related marketing, each participating in breast cancer awareness during their respected athletic seasons. Basketball coaches reported participation in Coaches v. Cancer awareness games, wearing white shoes to raise awareness for the American Cancer Society. The school that reported a unique take on cause related marketing was the University of Minnesota who raised awareness for epilepsy, because the head coach of the football team suffered from epilepsy. The University of Minnesota was the first athletic department to host a game focused on epilepsy (Patterson, 2014).

4.3 Community Service

The predominant method of CSR action in athletic departments is to utilize student athletes to participate in community service projects in the local communities. The SEC has a community service conference team for each sport it sponsors that provides recognition of high achieving student athletes in their local communities. Every athletic department in the study reported the total amount of community service hours accumulated by its student athletes in an academic year. The average for student athlete community service hours among the athletic departments in the study was 2,500 hours for the academic year.
The student services department is the area that conducts the student service learning programs. The common name for these programs are the CHAMPS Life Skills program, and provides incentives for the student athletes participation by creating a point system that accounts for the participation in various service projects. An hour of community service would donate one point in the system, points are totaled at the end of each semester or academic year and their athletic departments recognize the high achieving student athletes.

One school produced an annual report highlighting the achievements of its student athletes’ participation in the local community, totaling over 8,000 hours of community service. The report was easily located on the website and provided individual features of the highest achieving student athlete’s community service actions.

5. Discussion

The results of the content analysis displayed CSR activity amongst all of the athletic departments in the study. It is apparent that the athletic departments are taking CSR seriously especially in community service from its student athletes. Community service is the primary focus of the athletic departments and it correlates with the literature stating that community service is a valuable tool for building a positive reputation in the community (Misener & Mason, 2009). The building of a positive reputation in the community through community service projects, leads to the creation of social insurance with the community stakeholders of the athletic department and building a more committed fan base for the sports teams (Godfrey, 2005, 2009).

The teaching of life skills through service learning is also supported by the literature and appears to be a focus of the athletic departments overall goal for the development of its student athletes. The literature base supports the notion that financial performance acts simultaneously with CSR. The notion of financial performance of a company acting simultaneously with CSR in business, can be applied to overall academic performance and service learning projects instilled by an athletic department.
The current study also provides support of the notion that service learning through community service also aids in overall academic performance of student athletes (Carodine et al., 2001; Jordan & Denson, 1990; Orlitzky et al., 2003).

The financial performance of the athletic departments is positive and the actions towards CSR are supported by the literature and the results of this study. The revenue generation of the athletic departments would place them on the Forbes100 “Best Small Companies” list and they are also displaying positive efforts in CSR towards their local communities. The unique social structure that surrounds sports makes the athletic departments the ideal industry to produce a lasting impact through CSR actions.

6. Conclusions

The CSR actions of the athletic departments appear to show a positive trend towards making an impact on society and its local stakeholders. Community service is the primary avenue in which CSR actions are expressed from the athletic departments, which could be associated to the model produced by the NFL. The NFL relies on players to have individual foundations that execute community outreach projects in their local communities. The main difference between the NFL model and the one utilized by athletic departments, is the student athletes are not compensated by the athletic department and must tend to other areas as well such as schoolwork. The athletic departments should be applauded for their efforts to reach the community through community service projects, but must not rely solely on the student athletes for this mission, as the literature stated, the athletes can experience a negative relationship with academics (Hill et al., 2001).

The cause related marketing for the athletic departments is utilized to get fans in the seats that purchase tickets to watch an event, while raising awareness for a cause. The athletic departments sometimes will make a philanthropic donation to the cause as a result of the marketing effort, donating a portion of ticket revenue, or sales of cause related merchandise to the selected cause. The partnership formed through the cause related marketing effort produces a relationship that leverages the stakeholder relationship of the fan with the athletic department for the mutual benefit of the cause.
The relationship can prove to be mutually beneficial as shown by the increase in website searches for breast cancer awareness in October, due to the NFL’s efforts to wear pink on the field (Glynn et al., 2011). The question exist is who is really benefiting from the cause related marketing efforts in college athletics?

Environmental sustainability is still in its infancy with college athletics but athletic departments are catching on to the savings in operating cost by updating facilities to operate in an energy efficient manner. The rate that athletic departments are building new facilities to keep up in the arms race, environmental sustainability will become easier for the athletic departments to accomplish, because the design of new facilities can be created to maximize efficiency. If an athletic department seeks to build a competitive advantage in environmental sustainability, it must be an effort that links the athletic department with the schools goals and programming but also with the stakeholders in the community. The university in the study located in the Pacific Northwest was the most active in environmental sustainability in this study due to the nature of community stakeholders and the attitudes of the student population at the school.

Overall, CSR is taking place in college athletics is evident by the sample of Division I athletic departments in this study. Community service is the driving force for athletic departments CSR actions; they are also utilizing cause related marketing and environmental sustainability to execute their CSR actions. The actions of the athletic departments resemble those of their Forbes 100 “Best Small Companies” list counterparts based off of revenue generation annually. While CSR actions are occurring, more could be done to build better relationships with the stakeholders in the community.

7. Future Directions

The scope of this study was to examine a comprehensive perspective of the current state of CSR actions of NCAA Division I athletic departments. More research needs to be conducted to measure the effectiveness of leadership within the athletic departments to build an integrated CSR program. Does stakeholder management theory provide a new way of conducting business in college athletics that increases the effectiveness of the CSR actions?
Due to the comparison established between NCAA Division I athletic departments annual revenues and that of Forbes100 “Best Small Companies”, further research should investigate the similarities in CSR actions being executed by both. The areas discussed for future directions following this study will provide greater insight into college athletics that previously has been neglected in research.

References


