

Corporate Social Responsibility in Professional Team Sports: National Football League (NFL) versus UEFA Champions League

Helmut Dietl, University of Zurich, Switzerland, helmut.dietl@isu.uzh.ch

Egon Franck, University of Zurich, Switzerland

Julia Hillebrandt, University of Zurich, Switzerland

Keywords: Corporate Social Responsibility, team sports, UEFA, NFL, stakeholder

Abstract

Thirty-eight years ago, the future Nobel laureate Milton Friedman stated that the only responsibility of business is to increase its profits. Since major league sports have become dramatically commercially-oriented over the past decades with clubs being quoted at the stock exchange and huge sums of money at stake, Friedman would not only address conventional corporations but also professional sports leagues such as the UEFA Champions League and the National Football League (NFL). But is it true that the only responsibility of major league sports is to increase its profits? In this paper, we argue that professional sports organizations that evolved into conventional businesses have to fulfill conventional businesses' responsibilities. Sports organizations not only have legal responsibilities to their shareholders but also social responsibilities to a range of further stakeholders such as communities, fans and so forth. Following this reasoning, we identify, analyze, and compare the institutional arrangements of the UEFA Champions League and the NFL with regard to social responsibility and ethical standards. In a first step, we provide answers to the following questions:

Are the UEFA Champions League and the NFL ethically/socially active?

Do they possess social and/or ethical principles and how do these principles translate into actual business practice?

How do they ensure that the needs of the different stakeholders (leagues, clubs, players, supporters) are properly taken into account?

How do they fight against doping? Which measures and sanctions are employed in the fight against doping?

Do they launch official campaigns to tackle racism and foster diversity?

How do they promote sportsmanlike conduct on and off the field? How do they support the principles of fair play?

How do they assure the integrity of their sport?

How do they deal with environmental issues?

How do they deal with sponsorship issues (the game has traditional links with alcohol, with brewers being major sponsors at all levels)?

How do they deal with equity issues?

How do they deal with betting, corruption, and manipulation?

How do they take responsibility for retired players?

Do they support humanitarian actions?

How do they interact with society?

We answer these questions on the ground of a web-based content analysis of documents, articles, reports, and comments. This method has major advantages. It is systematically and inter-subjectively comprehensible and allows for the analysis of large amounts of textual information: As both associations act in the spotlight of the media and publicly report on all of their activities on their corresponding websites, the range of information to be analyzed is substantial. In a second step, we highlight the major differences between both leagues based on a comparative diagnostic analysis. In a third step, we qualify these differences as economic advantages or disadvantages based on a combination of new institutional economics and corporate social responsibility analysis. In particular, we show how the different approaches of both leagues affect the longterm economic viability, fan potential, league image, community support, player basis and recruitment, sponsorship, and media coverage.

References

- Carroll, A. B. (1991). The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders. *Business Horizons*, 34(4), 39-48.
- Carroll, A. B. (1996). *Business and society: Ethics and stakeholder management* (3rd ed.). Cincinnati: South Western College Publishing.
- Coase, R. H. (1960). The problem of social cost. *Journal of Law and Economics*, 3(2), 1-44. Erlei, M., Leschke, M., & Sauerland, D. (2007).
- Neue Institutionenökonomik (2nd ed.). Stuttgart: Schäffer-Poeschel. Frederick, W. C. (1986). Theories of corporate social performance: Much done, more to do. University of Pittsburg, Graduate School of Business: Working Paper.
- Freeman, E. (1984). *Strategic management: A stakeholder approach*. Boston: Pitman.
- Friedman, M. (1970, September 13). The social responsibility of business is to increase its profits. *New York Times Magazine*. Reprinted in T. Donaldson & P. H. Werhane (Eds.), *Ethical issues in business: A philosophical approach* (pp. 217-223). Englewood Cliffs, N. J.: Prentice Hall.
- Hayek, F. A. (1969). The corporation in a democratic society: In whose interest ought it and will it be run? In H. I. Ansoff (Ed.), *Business strategy* (pp. 124-146). Harmondsworth, UK: Penguin.
- Matten, D., & Crane, A. (2005). Corporate citizenship: Towards an extended theoretical conceptualization. *Academy of Management Review*, 30(1), 166-179.

Mitchell, R. K., Agle, B. R., & Wood, D. J. (1997). Toward a theory of stakeholder identification and salience: Defining the principle of who and what really counts. *Academy of Management Review*, 22(4), 853-886.