

Corporate social responsibility in sports: A critical review

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Abstract

Sport is not as simple as playing the actual game, it goes beyond than what happens in the field of play, the players or associations, they continue their commitment to business by behaving ethically and contributing to economic development while improving the quality of life of the local community and society at large. From strategic and commercial angles, corporate social responsibility can definitely be applied in the sports industry as an innovative tool to achieve profitable value creation. It will not only benefit the corporate sector but also to the sports persons and all those who are directly or indirectly associated with sports as well. And eventually the interest, awareness and importance of sports will be felt by almost every section of the society. CSR is a topic with extensive research in regards to traditional corporations; yet little has been conducted in relation to the professional sports industry. The recent trend of sport organization involving in CSR has various impacts on the entire society. Corporate social responsibility can provide a great momentum for the maximum pace of the sports development in the society. The purpose of this paper, therefore, is to provide an overview about the nature and scope of CSR programmes that have sport at their core.

Keywords: Corporate Social Responsibility, Sports

1. Introduction

As the world is facing unparalleled environmental, social and economic challenges, (Macagno, 2013) ^[4], multinational enterprises are showing their tremendous eagerness to actively disseminate corporate social responsibility programmes, (Kolk and Lenfant, 2013) ^[2]. Corporate social responsibility is an important area of study because of its ability to improve lives and bring awareness to social issues around the world. The concept of corporate social responsibility has been around for decades. It's also referred to as "corporate citizenship." Corporate social responsibility ultimately implies that a company is responsible for assessment of their wider impact on society (e.g., Mohr, Webb, & Harris, 2001) ^[3]. Corporate social responsibility in professional sports was first emerged from the idea that charitable endeavors and community outreach programs could help boost fan support and increase revenues. Social responsibility has also become increasingly prevalent in the sport industry. For example, the Federation Internationale de Football Association (FIFA) has made significant investments regarding social responsibility, "more than 40 percent of FIFA's income goes directly towards supporting the grassroots of the game, development work, and partnerships with relief organizations" (FIFA Activity Report, 2002-2004). There has been a paradigm shift in the relation of CSR and sports from almost a decade. This dramatic shift in India was initiated by IPL, a game changer for the relations of CSR and sports. At the beginning this CSR and sports relationship was just limited to the IPL only, but now the focus have also been shifted towards other games (Hockey, Badminton, Football and Kabaddi) through the initiation of their respective leagues such as such as Hockey India League for Hockey, Badminton Premier League for Badminton, Indian Super League for Football, Indian Football League and Pro-Kabaddi League., and it is speculated to spread in almost every sport, especially after the new Companies Act, which states that certain class of profitable entities are required to shell out at least two per cent

of their three-year annual average net profit towards Corporate Social Responsibility (CSR) activities including 'training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports.

1.1 Corporate Social Responsibility

Corporate social responsibility is actually the association of business strategies into the sports. In that regard, research has proved that the commercial benefits of applying strategic CSR in the sports industry may be linked to stakeholders' positive product and brand evaluations, brand choice, and brand recommendations (Dawar & Klein, 2004) ^[1] ultimately that links to the profitability. According to the Wall Street Journal (2009) ^[7], an increasing number of multinational enterprises that exist and operate outside the sport industry have now started recognising the value of employing CSR through sport in order to achieve their own commercial and social ends. In the present study, therefore, and in line with Turner *et al.*'s (2011) ^[6] work, CSR will mean those activities that recognise the interrelationship between making money, the people who benefit from the money making activity and the resources employed to do so.

1.2 Corporate Social Responsibility and Sports in India

India has always dreamt of being a sporting superpower, undoubtedly has the potential to be a sporting superpower. It's just that we need the right kind of approach from the authorities and a little help from our corporate houses. But as mentioned earlier, CSR has not been well studied within the context of sport. Despite the fact that training and promotion of Olympic, paralympic and other nationally recognized sports were considered as a CSR activity, for the last two years a majority of corporates have not seen it as a viable thematic area to invest their funds in. The corporate companies in India were flirting on the sake of investment for sports development. But now the Ministry of Corporate Affairs has clarified that one off

events such as marathons/ awards/ charitable contribution/etc would not qualify as part of CSR expenditure anymore. After much negotiation on 8 June, AICS, established in 2015 to serve as an advisory body for the ministry of youth affairs and sports, succeeded in getting the ministry of corporate affairs (MCA) to approve the construction, renovation, maintenance of stadiums, gymnasiums and rehabilitation centers as part of the permissible CSR activities. With commercial organisations increasingly dedicating resources to CSR, there exists the opportunity for the development of a partnership approach whereby a sport organisation is the recipient of corporate funding to undertake the role of CSR delivery agency for the commercial organisation (Smith and Westerbeek 2007) ^[5].

1.3 Suggestions

India is country of over a billion people among which 60% is the youth and adult. It is said that India is the youngest country globally, as the population of other countries including American and European continents are getting older. Therefore, India is the hub of a potent talent pool which needs to be nurtured. But, as the real India lives in rural part under the poverty line, it is very difficult for many people to even afford two square meals a day. Sporting equipment, for them, is a luxury which they cannot afford. This is the biggest hindrance in the development of sports in India and should be seriously pondered upon. The authorities must come up and take initiative to remove this roadblock with the help of corporate houses. Another area where the CSR spending can be directed towards is academies with proper facilities and low training costs; where the best of talents, whether rich or poor, can be nurtured and be made able to compete with the very best across the sporting fraternity. TATA has a football academy of its own, which is one of the best in the country, but is far from matching the international standards.

2. References

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