Corporate Social Responsibility in European Football

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Executive summary

- This report provides a detailed analysis of survey research looking at corporate social responsibility (CSR) in European football. It is the first such survey and represents a highly significant step in furthering understanding of CSR in sport, in SMEs and in organizations in general

- The survey was sent to all 53 national federations in Europe and to all 730 top division clubs. A total of 43 national federations and 112 football clubs from 44 European countries responded

- The large majority of national federations are involved in a number of initiatives with various stakeholders such as local communities, young people and schools

- The majority of national federations do not have a formal CSR strategy

- Resource constraints, securing funding and time constraints are the three most significant issues that constrain national federations in relation to CSR

- Measuring CSR is a complex and challenging issue for national federations - a small majority of national federations monitor CSR but only a minority evaluate its impact

- A large majority of the football clubs that responded to the survey are involved in a variety of initiatives for the community and employees

- A majority of clubs reported that making connections with the community was a significant challenge, demonstrating that clubs are not automatically embedded within their communities

- The majority of football clubs in the survey indicated that they have a code of conduct in relation to supporters. Supporters were also deemed the most important stakeholder group

- A small majority of football clubs have a formal CSR strategy

- Resource constraints and securing funding were two of the most significant challenges faced by football clubs

- A small majority of football clubs monitor their CSR activities and evaluate their impact. Measuring and quantifying the benefits of CSR is therefore a significant challenge for football clubs as well as national federations.

- There are a number of significant differences between large clubs and small clubs in relation to the types of CSR activity that they implement. However, the challenges that clubs face when implementing CSR affect all clubs regardless of their size.

Contents

1. <u>**Corporate Social Responsibility**</u>

Public concern over the role of business in society has grown over the last few decades and is now substantial. Partly as a result of instances of corporate excess and irresponsibility, there is now greater pressure on organizations to be more accountable and to show commitment to society through social and environmental activities. Corporate social responsibility (CSR), broadly referring to the responsibilities that a business has beyond profit maximization,[1] has become the means through which organizations seek to demonstrate this accountability and commitment to society. Originally, CSR was seen as a charitable or philanthropic activity, but more recently it has evolved into a strategic tool for organizations to protect their reputation, develop brand loyalty and foster competitive advantage.[2]

CSR, however, is difficult to define. Indeed, even the term itself is not settled and other terms, such as corporate social performance, corporate social responsiveness and corporate citizenship, are often used to describe the same or similar things. One of the earliest definitions of CSR, in 1953, saw it as 'the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of actions which are desirable in terms of the objectives and values of our society'.[3] Later, in 1979, an influential article defined it as follows: 'the social responsibility of business encompasses the economic, legal, ethical and discretionary expectations that society has of

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[1] Carroll (1979)
[2] Dean (2003); Mullen (1997); Porter and Kramer (2006)
[3] Bowen (1953: 6)

organizations at a given point in time'.[4] A more recent academic analysis criticised this definition for failing to take into account the full range of effects that business activity had. Instead, it proposed that corporate social performance should properly be conceived of as 'a set of descriptive categorizations of business activity, focusing on the impacts and outcomes for society, stakeholders and the firm'.[5]

One of the main points of contention is whether CSR should refer just to activities and motivations that extend *beyond* an organization's direct economic interest and legal obligations or whether it should *include* these. For example, some academics have argued that as society's fundamental expectation of business is that it performs an economic function, this should form a key part of any definition of CSR.[6] Others have argued that a business's economic component ought to be regarded as the reason for its existence, rather than a responsibility to society.[7] Viewed this way, definitions of CSR should exclude the economic component of a business organization's activities.

Among those actually working in organizations in different sectors, understandings of, and attitudes towards, CSR are perhaps even more varied. Nevertheless, there appears to be an increasing consensus among academics and business practitioners that CSR relates to an organization's interaction with a range of stakeholders, such as employees, customers,

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[4] Carroll (1979: 500)
[5] Wood (2010: 54)
[6] Carroll (1999)
[7] Daft (2003)

suppliers, local communities, and the general public.[8] Stakeholder management itself is not easily defined, with a series of ongoing debates concerning who an organization's stakeholders are, how legitimate their various claims are and whether and how organizations ought to respond to them. However, thinking about CSR in relation to organizations and their multiple stakeholders provides a useful framework for assessing organizational performance.

This research makes use of these various insights. A detailed review of the literature found considerable support for a definition of CSR that refers to an organization's positive behaviour towards its stakeholders. Furthermore, reflecting on the arguments above, and reviewing the many existing studies of CSR, it was felt that CSR was most commonly understood as relating to activities beyond an organization's economic function. Here, then, CSR is understood broadly as *organizational behaviour that aims to affect stakeholders positively and that goes beyond the organization's economic interest*.[9]

1.1. Research on corporate social responsibility

Until the 1950s, discourse on CSR was limited. The publication of *The Social Responsibilities of the Businessman* by Howard Bowen in 1953 is widely regarded to be the starting point of the debate about the role of business in society.[10] Thereafter, the issue became more prominent and researchers and

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[8] Carroll (1991)
[9] This draws explicitly on Turker's (2009: 413) definition.
[10] Carroll (1999)

business practitioners began to debate what CSR was and what it meant for business and society.[11] During the 1970s, the literature on CSR expanded and researchers made the first concerted efforts to define the concept, an endeavour which, as discussed above, continues to attract debate and criticism today. In the 1980s, a range of themes associated with CSR emerged, including stakeholder theory, business ethics theory, corporate citizenship, and cause-related marketing.[12] So, despite the lack of a clear, agreed-upon definition of CSR, the concept 'served as the base-point, building block, or point-of-departure for other related concepts and themes, many of which embraced CSR-thinking and were quite compatible with it'.[13] In the 1990s and 2000s, there have been increasing attempts to understand how organizations seek to implement CSR leading to a large body of empirical research. This has led to an emphasis on linking CSR with corporate financial performance; CSR is increasingly seen as a way to add value to the business.

A recent academic analysis argued that this demonstrates a shift from normative justifications for implementing CSR to more instrumental, performance-oriented motivations.[14] The analysis identified five key managerial issues related to CSR. First, organizations need to communicate their CSR activities. This is often considered as a way for an organization to position its brand. There is evidence that many organizations do undertake and report CSR activities: in 2005, more than 80 of the FTSE 100 listed companies in the UK produced a CSR report separate from the annual

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[11] Carroll and Shabana (2010)
[12] Carroll (1999)
[13] Carroll (1999: 288)
[14] Lindgreen and Swaen (2010)

report.[15] However, there are concerns that marketing CSR activities can be perceived as a form of public relations and lead to increased skepticism and cynicism.[16]

The second key managerial issue is the implementation of CSR into the activities of an organization, although this is an area that lacks empirical and theoretical support.[17] For many organizations, CSR implementation is reflected in their adherence to codes of conduct, for instance in relation to supply chains. However, it has been argued that while companies are increasingly encouraged to use CSR language, many do not completely understand what the concept means.[18] CSR might relate to many different types of organizational activity, including leadership, workforce activities (e.g. fair remuneration; employee communication), supply chain activities, community activities (e.g. sponsoring social causes, financial donations, employee volunteering) and environmental activities (resource/energy use, pollution and waste management).[19] This demonstrates that there is no one overarching framework, nor set of guidelines; CSR implementation within the business context requires a tailor-made approach. However, as one academic review recently noted, it is only by engaging in CSR related activities that an organization will develop a better understanding of CSR.[20]

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[15] Owen (2005)
[16] Mohr et al. (2001)
[17] Lindgreen and Swaen (2010)
[18] Cramer et al. (2006: 381)
[19] Blowfield and Murray (2008)
[20] Cramer et al. (2006)

The third issue is how to engage with stakeholders. Stakeholder theory is based on the understanding that a corporation should recognise the interests of a wide range of constituents that have a stake in the organization, for example, customers, employees, suppliers, and communities. As the central issue within CSR is the nature of the relationship between business and society and how this is defined and acted upon,[21] many authors have argued that there is an explicit link between CSR and stakeholder engagement. Indeed, stakeholder engagement can also be considered a way to implement CSR. The fourth issue is measurement of CSR activities. The key question here is how should CSR be measured and what criteria should be used? The fact that CSR relates to many different organizational activities means that measuring CSR is complex.

The fifth key managerial issue within CSR is presenting the business case for undertaking CSR activities. Since the 1990s, there has been an increase in ways to define and understand what constitutes CSR activity. This has led to CSR becoming a part of a strategic management strategy in addition to the more traditional understanding of CSR as a charitable, philanthropic activity. This has created a need to demonstrate that CSR activity improves business performance. CSR has been argued to benefit organizations in a number of ways, including through improved corporate reputation, competitor differentiation, brand loyalty development, and improved financial performance.[22] However, there is still a lack of evidence to support these claims, although it is clear that focusing on environmental efficiency and

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[21] Blowfield and Murray (2008: 36)
[22] Mullen (1997); Dean (2003); Porter and Kramer (2006)

sustainable development could potentially lead to cost savings.

These five managerial issues, while considered distinct, are closely inter-related. For example, measuring CSR outcomes and determining the link, if any, between CSR and business performance may support a business case for CSR, which, in turn, may increase the likelihood that CSR initiatives will be implemented.

1.2.   Corporate social responsibility in sport

Although the literature on CSR has grown significantly over the last 30 years, only recently has CSR been analysed in relation to sport.[23] This has come about as the role of sport in society has become more prominent and as sport organizations have become increasingly influential members of the global community. The concerns of transparency and accountability evident within the corporate world have transferred to sport. This has led some to suggest that sport organizations cannot ignore CSR and that they have to implement it.[24] Whether or not this is the sole imperative, it is clear that many sport organizations have, over the last few decades, engaged with various CSR imperatives, including philanthropy, community involvement, youth educational activities and youth health initiatives.[25]

In fact, it has been argued that sport organizations offer a particularly appropriate context for CSR. One recent academic review highlighted seven

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[23] Babiak and Wolfe (2006); Smith and Westerbeek (2007); Walters (2009); Bradish and Cronin (2009); Godfrey (2009); Walters and Tacon (2010)
[24] Babiak and Wolfe (2006)
[25] Babiak and Wolfe (2009); Walker and Kent (2009); Walters (2009)

key features of sport CSR.[26] First, the popularity and global reach of sport can ensure that sport CSR has mass media distribution and communication power. That is, the prominence of sport within the media helps to promote and communicate CSR activities to a wide audience. Second, sport CSR has youth appeal: children are more likely to engage in a CSR programme if it is attached to a sport organization or a sports personality. Third, sport CSR can be used to deliver positive health impacts through programmes and initiatives designed around physical exercise. Fourth, sport CSR will invariably involve group participation and therefore aid social interaction. This can also lead to a fifth benefit, which is improved cultural understanding and integration. Sixth, particular sport activities may lead to enhanced environmental and sustainability awareness. Finally, participating in sport CSR activities can also provide immediate gratification benefits.

It is important to realise that these benefits are by no means automatic. As one academic review of sport's outcomes noted:

> *Sport, like most activities, is not a priori good or bad, but has the potential of producing both positive and negative outcomes. Questions like 'what conditions are necessary for sport to have beneficial outcomes?' must be asked more often.*[27]

Certainly, there is a need for much greater understanding of the processes through which sport is presumed to lead to various social benefits and much

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[26] Smith and Westerbeek (2007)
[27] Patriksson (1998)

better research evidence. Nevertheless, the seven factors make clear the *potential* for sport organizations to engage effectively in CSR. Indeed, some academic commentators have gone so far as to state that CSR and sport are ideal partners.[28]

1.3. Corporate social responsibility in organizations of different size

One problematic issue associated with CSR is that the majority of research focuses on the perspective of the large firm. This is due to the fact that large firms wield high levels of power, demonstrate a high level of visibility and media presence, and are increasingly facing pressure from shareholders to demonstrate societal responsibilities.[29] However, it is small to medium sized enterprises (SMEs) that make up the bulk of existing firms and here the issue of CSR has, until recently, been largely overlooked. An SME is defined by the European Union as a firm with less than 250 employees and either a turnover of less than 50m Euros or less than 43m Euros of assets on the balance sheet. In total there are 23 million SMEs in Europe, accounting for 99 per cent of all enterprises,[30] demonstrating that the SME is the dominant form of organization. Moreover, SMEs provide approximately 75 million jobs within the EU,[31] thus making a significant contribution to the European economy. Indeed, SMEs have been described as the 'primary engine of economic development'.[32]

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[28] Babiak and Wolfe (2006)
[29] Jenkins (2004); Fassin (2008)
[30] European Commission (2007)
[31] European Commission (2007: 3)
[32] Spence and Rutherfoord (2003: 1)

In the last few years, both academics[33] and policy makers[34] have started to address the gaps in research and policy around CSR and SMEs, but much more remains to be done. Significantly, early research suggests that the context in which most SMEs operate means that much of the existing research and latest thinking on CSR from the large firm perspective may be inappropriate for SMEs.[35] This is of particular relevance to sport organizations, including those involved in the European football industry. The large majority of professional football clubs and national federations in Europe are, by the EU definition, SMEs. Consequently, research on CSR in sport organizations needs to take account of the particular characteristics that might distinguish CSR in SMEs from large businesses.

A recent academic analysis set out the following seven key characteristics of CSR in SMEs: (i) there is often a lack of codification of CSR in small businesses; (ii) personal motivation for CSR is more important than strategic marketing or public relations motives; (iii) in the majority of SMEs, the primary owner has ultimate responsibility; (iv) SMEs are often embedded in local communities; (v) small firms can rarely undercut larger competitors on price; (vi) employees are very important stakeholders in small firms; and (vii) sector context is particularly important for small firms.[36]

These seven key characteristics have important implications. For example, it needs to be acknowledged that CSR initiatives developed by, and for, large

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[33] Jenkins (2004; 2006); Murillo and Lozano (2006; 2009); Spence (2007)
[34] European Commission (2002; 2006; 2007)
[35] Jenkins (2004)
[36] Spence (2007: 536-538)

firms are unlikely to be suitable or appropriate for SMEs. The recent proliferation of CSR codes, such as the UN Global Compact, the Global Reporting Initiative, International Labour Organization conventions and the ISO 140000 standards on environmental management, is one example. Research has shown that SMEs are less likely to sign up to CSR standards and codes of conduct or to have in place an ethics officer.[37] Pursuing formalisation of CSR in SMEs may indeed be futile, because many SMEs incorporate CSR into their operations on a more informal basis.[38]

The large firm perspective on CSR also tends to see it as a component of strategic management, i.e. an organization incorporates CSR activities with business operations that add value to the business.[39] This perspective has been extended to SMEs, particularly within a policy context. For example, the European Commission has portrayed CSR as a means for SMEs to achieve competitive advantage.[40] However, it has been argued that SMEs are unlikely to have the resources to focus on potential strategic gains from CSR activities.[41] Moreover, there is little consensus within SME research linking CSR to improved organizational performance, partly due to difficulties in defining business success. Indeed, the majority of SMEs are owner managed and consequently a range of different objectives might constitute success: traditional measures, such as increased profits, may not be considered important.

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[37] Spence (2007)
[38] Fisher et al. (2009)
[39] Porter and Kramer (2006)
[40] European Commission (2007)
[41] Spence (2007)

As stated earlier, research on CSR has consistently drawn on stakeholder theory, i.e. the understanding that an organization should recognize the interests of a wide range of constituents that have a stake in the organization, for example, customers, employees, suppliers, and communities. The fact that many SMEs are embedded within their local communities means they often have a real concern for maintaining relationships within those communities.[42] For this reason, it has been argued that stakeholder theory provides a particularly effective framework for understanding CSR in SMEs.[43] Again, however, the theoretical development and empirical application of stakeholder theory has tended to centre on large organizations. For SMEs, it has been argued that there are differences in the way that stakeholder relations are managed. For example, large firms are more likely to engage in formal strategic stakeholder relations where they have the power to dictate the relationship. By contrast, the relationships between SMEs and their stakeholders are more likely to be informal and characterised by trust and personal engagement.

SMEs have a very significant impact on the economy. Given this, and given the fact that CSR within the large company context may not be appropriate or relevant for smaller companies, there is a pressing need for research to understand better how SMEs engage in CSR. With specific regard to stakeholder theory, there is a need for further research to determine which stakeholders are significant to SMEs, how SMEs engage with their

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[42] Jenkins (2004); Spence (2007)
[43] Jenkins (2004; 2006)

stakeholders, and what the nature of these relationships is.[44] As discussed, these issues are particularly relevant to the European football industry, given that the vast majority of European football clubs are SMEs. There is an urgent need, then, for research on CSR in sport, particularly research that is sensitive to the size of sports organizations and the context within which they operate.

1.4. Corporate social responsibility and the EU

The European Union has been relatively slow to embrace CSR. Despite the fact that CSR had been addressed within academic literature from the 1960s, it took until 1995 and the publication of the *Manifesto of Enterprises against Social Exclusion*, and the subsequent creation of the European Business Network, to facilitate and encourage stakeholder dialogue around best practice CSR.[45] CSR officially entered the discourse of the European Union at the Lisbon Summit of the European Council in 2000 where social responsibility through lifelong learning, work organization, equal opportunities, social inclusion and sustainable development were considered important components of the ten year Lisbon strategy to promote sustainable economic growth and greater cohesion.[46]

The following year, the European Commission (EC) launched a consultation exercise on CSR with the release of a Green Paper titled *Promoting a European Framework for Corporate Social Responsibility*. The consultation

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[44] Jenkins (2004: 44)
[45] MacLeod (2005)
[46] De Schutter (2008)

had two overarching objectives: to provoke debate about CSR; and to develop a European framework to promote CSR.[47] The EC received more than 250 responses from a range of stakeholders, including corporations, EU Member States, non-governmental organizations (NGOs), and trade unions. However, certain commentators[48] argued that the Green Paper restricted the debate by providing a limited and business-oriented definition of CSR as 'a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis'.[49] Indeed, the latter point concerning voluntary engagement proved especially divisive. The EC's response to the Green Paper, its first communication on CSR, clearly stated that corporations favored a voluntary approach to CSR while trade unions and NGOs believed in the need for a regulatory framework in order to effectively protect workers' and citizens' rights.[50]

In 2006, the EC released their second communication on CSR titled *Implementing the Partnership for Growth and Jobs: Making Europe a Pole of Excellence on Corporate Social Responsibility*.[51] This followed an evaluation five years into the Lisbon strategy, which led to a shift in focus from sustainable economic growth and greater cohesion to economic growth and employment creation.[52] The second communication focused on how CSR could contribute to growth and jobs within the EU and led to the establishment

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[47] European Commission (2002)
[48] E.g. MacLeod (2005)
[49] European Commission (2001: 6)
[50] European Commission (2002)
[51] European Commission (2006)
[52] De Schutter (2008)

of the European Alliance for CSR, which consists primarily of individual businesses or business-support organizations. Over the past decade, then, the EU appears to have moved away from its initial focus on the development of a regulatory framework to support CSR towards a pro-business stance in which self-regulation is preferred over the imposition of EU legislation.[53]

1.5. The EU, corporate social responsibility and SMEs

The 2001 Green Paper, *Promoting a European Framework for Corporate Social Responsibility*, also made special reference to SMEs. It recognised that although CSR was mainly driven by large companies, it was relevant to SMEs; that socially responsible practices exist in all types of enterprises including SMEs; that CSR in SMEs is of central importance given their contribution to the economy and employment; and that further guidance and tools were needed to disseminate good practice. Furthermore, in the response to the Green Paper produced by the EC, fostering CSR among SMEs was one of seven strategic areas proposed. The EC acknowledged that many SMEs within Europe engage in socially and environmentally responsible activities, particularly in local communities where engagement was occasional in nature and often not related to business strategy but driven by the owner/manager of the business.[54] It also reported that lack of awareness of CSR and resource constraints were the most significant barriers to social engagement, while many SMEs were not familiar with either the concept of CSR (preferring the term responsible entrepreneurship) or reporting CSR activities.

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[53] De Schutter (2008)
[54] European Commission (2002: 11)

To facilitate the development of responsible behaviour in SMEs it was argued that there was a need to:

- work towards a better understanding of SMEs' current social and environmental engagement, including research into SME-specific aspects of CSR and the business case;

- foster the exchange and dissemination of good practices cases identified with the help of Member State and candidate countries' experts, SME representative organizations, business support organizations and consumer organizations (e.g. through publications, on-line collection of good practices etc.);

- facilitate the development and dissemination of user-friendly, tailor-made tools for those SMEs that wish to engage in or further develop socially responsible actions on a voluntary basis (information material, SME toolkit, etc.);

- bring the attention of SME associations and business support organizations to CSR issues with a view to their integration into support provision for responsible entrepreneurship initiatives in SMEs;

- facilitate co-operation between large companies and SMEs to manage their social and environmental responsibility (e.g. supply chain management, mentoring schemes etc.), in accordance with national and EU competition rules;

- raise awareness among SMEs with regard to the impact of their activities on developing countries, and promote SMEs proactive policies, in

particular in the fields of core labour standards, eradication of child-labour, gender equality, education, training, health-care assistance and insurance.[55]

In 2005, the EC established the European Expert Group on CSR and SMEs, comprising representatives of all EU member states. The purpose of the group was to discuss ideas and share best practice experiences on how to support CSR among SMEs. The work of the group was structured around six key topics: CSR, SMEs and regional competitiveness; the business case of CSR for SMEs; capacity-building for business support; awareness-raising and communicating with SMEs; toolkits and management systems; and supply chain issues, mentoring and certification.[56] The work of the European Expert Group on CSR and SMEs coincided with the release of the European Commission's second communication on CSR, *Implementing the Partnership for Growth and Jobs: Making Europe a Pole of Excellence on Corporate Social Responsibility*, and the subsequent establishment of the European Alliance for CSR, one of whose ten priority areas is to help SMEs to flourish and grow.[57]

The following year, the European Expert Group on CSR and SMEs published their final report which contained the following key messages: CSR is not a new concept for SMEs; CSR can bring advantages to SMEs; personal and ethical values are important; CSR is an opportunity to resolve real problems; it makes sense to work with SMEs at regional and local level and through

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[55] European Commission (2002: 12)
[56] European Commission (2007: 6)
[57] European Commission (2006: 12)

industrial clusters and sectors; partnerships between stakeholders are crucial; organizations that work with SMEs have a central role to play; language and terminology must be appropriate; we need to better integrate CSR into education; not all SMEs are the same; CSR looks different in different EU countries; there needs to be a greater demand for CSR; Governments must act responsibly too; we need more academic research on CSR and SMEs.[58]

1.6.   Summary

This review of research and policy on CSR highlights several key issues. First, CSR remains a contested concept: it has no single, agreed-upon definition. Nevertheless, there is increasing consensus that it refers to positive relationships between an organization and various stakeholders. In addition, many commentators take the view that CSR should only refer to activities beyond an organization's core economic function. Second, CSR may differ significantly between organizations of different size. Most research still adopts a large firm focus and there is a concomitant lack of research on CSR in SMEs. This is highly relevant when considering CSR in sport, as the vast majority of professional sport clubs and many other sport organizations are SMEs.

This relates to a third key issue: CSR in sport. Academic analysis suggests that there may be a natural fit between sport and CSR, given sport's popularity, youth appeal, and potential to deliver health benefits and other personal and social outcomes. However, these issues remain under-

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[58] European Commission (2007: 8-10)

researched and little is known about how sport organizations think about, implement and measure CSR. Fourth, policy on CSR at a European level appears to have shifted from notions of a regulatory framework towards a more pro-business, self-regulatory stance. More recently, the specific issue of CSR in SMEs has been taken up at a European policy level. Policy makers have recognised the potential of SMEs, their specificity and, tellingly, the need for more research to understand how CSR works in SMEs and how it could be made more effective.

Together, these issues point to the need for research that can highlight how sport organizations across Europe are engaging with CSR. This research project, which is based on comparative survey research in 53 countries, responds to this need. The survey – of all top division football clubs in Europe and the 53 national federations that are members of UEFA – examines key aspects of CSR. It is the first comprehensive, comparative survey in the football industry, drawing on the most up-to-date academic research, and it represents a highly significant step towards greater understanding of CSR in sport and CSR among SMEs. The following section sets out how the research is being conducted, explaining the rationale behind it and detailing the methodology.

2. <u>Methods</u>

Both academics and business practitioners have made considerable attempts to measure corporate social responsibility. However, it has proved an extremely difficult task and there is no single best way to do it. A recent academic analysis[59] identified five main methods which have been used, namely: (i) reputation indices and databases; (ii) single- and multiple-issue indicators; (iii) content analysis of corporate publications; (iv) scales measuring CSR at the individual level; and (v) scales measuring CSR at the organizational level. A brief summary of these various methods follows.

Reputation indices and databases, such as the Kinder, Lydenberg and Domini (KLD) database in the US, rate companies on several attributes, presumed to be related to CSR. However, there are several problems with using such databases to 'measure' CSR, including the restrictiveness of the attributes on which companies are rated and the ways in which companies are screened out of the databases.[60] More fundamentally, with regard to this research, no such database exists in the sport industry; therefore, this method is unavailable. Many previous studies have sought to measure CSR through examination of single or multiple issues, such as environmental pollution control or efforts to recall bogus products. However, this kind of measurement decision is often made because such data is easily available, rather than because the issues examined genuinely reflect a clear theoretical understanding of CSR. Moreover, there is no such data on either single or

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[59] Turker (2009)
[60] Van Oosterhout and Heugens (2006: 15-18)

multiple issues among top division football clubs in Europe; again, therefore, the method is unavailable.

In other studies, researchers have attempted to systematically analyse corporate publications in order to measure and compare companies' CSR. However, there are clear problems with such an approach, relying, as it does, on how different companies report their activities. The best it can probably achieve is a comparative analysis of how companies *communicate* their responsible behaviour. Furthermore, once again, this method is not suitable for the current research, as all top division football clubs in Europe do not make such corporate publications available. The other main method of measuring CSR is questionnaire surveys, containing a number of questions (or items). These have previously been administered to individuals within organizations, attempting to measure CSR at either the individual, or organizational, level.

What is clear is that there is no single best way to measure CSR. However for the purposes of this research, the latter method, i.e. a questionnaire survey, has been designed to incorporate one or more scales (sets of questions) that seek to measure CSR at an organizational level. This method of data collection was considered the most appropriate for this research project in that it enables the examination and direct comparison of many aspects of CSR across a large number of football clubs in a cross-sectional research design. This is the first such survey of CSR in European football and it represents a highly significant step in furthering understanding of CSR in sport, in SMEs
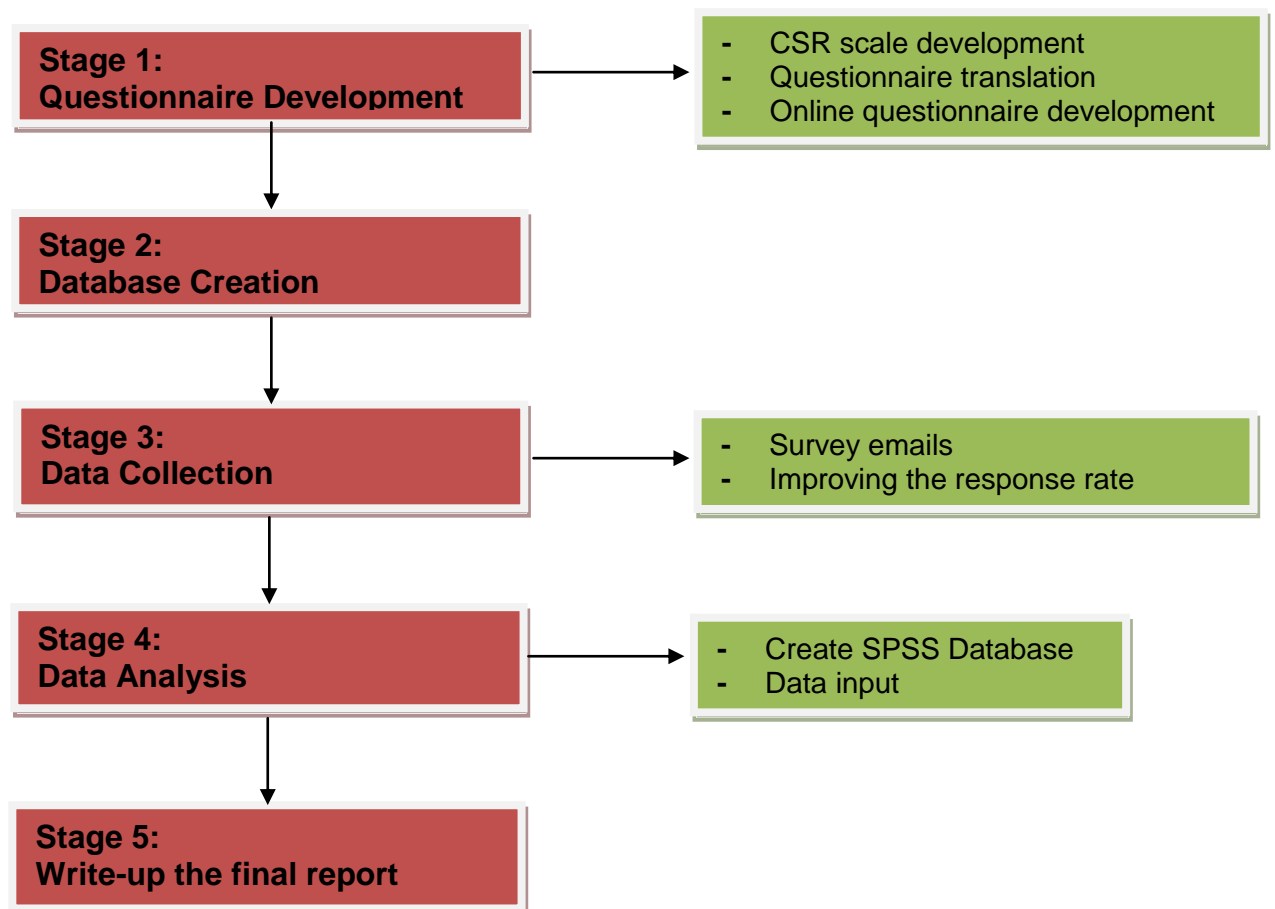
and in organizations in general.

2.1. The Research Process

There were five stages involved in the research process, detailed in figure 2.1.

This section will discuss the first four stages of the research process.

Figure 2.1: The Research Process

Stage 1: Questionnaire Development	→	- CSR scale development - Questionnaire translation - Online questionnaire development
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Stage 2: Database Creation		
↓		
Stage 3: Data Collection	→	- Survey emails - Improving the response rate
↓		
Stage 4: Data Analysis	→	- Create SPSS Database - Data input
↓		
Stage 5: Write-up the final report		

2.1.1. Questionnaire development

In developing the questionnaire,[61] there were three key steps. The first step

involved a detailed review of the literature in order to identify how CSR had

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[61] In fact, two almost identical questionnaires have been developed, one for the 730 top division football clubs in Europe, the other for the 53 member federations of UEFA. They are, however, apart from a very few background questions, which are suitable either for clubs only or national federations only, the same questionnaire.

been measured in previous survey research and what questions were needed in order to measure various aspects of CSR in top division football clubs and national federations in Europe. Key aspects of CSR were identified as follows: (i) actual activities that organizations either were, or had been, involved in; (ii) formal CSR practices, i.e. whether organizations had CSR strategies and/or individuals dedicated to working on CSR; (iii) motivation for engaging in CSR; (vi) challenges associated with CSR; (v) stakeholder relationships; and (vi) monitoring and evaluation of CSR.

A very recent academic study, published in the leading CSR-related academic journal, the *Journal of Business Ethics*,[62] reviewed previous empirical research on CSR and developed and tested a scale to measure CSR at the organizational level. Drawing on previous research, the study began by including 42 items (here, statements about organizational behaviour relating to CSR), to which respondents were asked to answer on a five-point scale. Through questionnaire piloting and factor analysis, the scale was reduced to 18 items and then later, after the main survey among Turkish companies, to 17 items. Extensive statistical tests confirmed the validity and reliability of this scale. The scale thus represents the most comprehensive and up-to-date means of measuring CSR at the organizational level in survey research. Consequently, we have included this scale in our CSR questionnaire.

We have also drawn on other previous scale development studies in order to incorporate: (i) 32 items on specific CSR activities;[63] (ii) 11 items on

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[62] Turker (2009)
[63] Drawing on Jenkins (2006)

motivation to engage in CSR;[64] (iii) nine items on challenges associated with CSR;[65] and (iv) a scale measuring the salience of 15 key stakeholders.[66] The final questionnaire also contains a number of background questions, e.g. on respondent details and the size and structure of the organization. The club survey contained a total of 24 questions and the national federation survey contained 22 questions.[67] It was purposely kept short to encourage a high response rate.

The second step involved translating the questionnaire into a number of different languages given the pan-European nature of the research. The English version of the questionnaire was sent to Syntacta, a professional translation and interpreting service that has worked with the universities sector. They were commissioned to translate the questionnaire into nine languages: French; German; Spanish; Italian; Portuguese; Greek; Turkish; Russian; and Serbo-Croatian. The reason for the translation was to maximize the response rate. For the national federations, we made the decision to only have an English version of the survey. This decision was made on the grounds that English is one of the three official languages of UEFA and therefore it was assumed that all national federations would be able to complete the survey in English.

The third step involved developing the online questionnaire. The decision to email the survey was taken due to time and cost savings, two key reasons

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[64] Drawing on Holmes (1976)
[65] Drawing on Jenkins (2006)
[66] Drawing on Agle, Mitchell and Sonnenfeld (1999)
[67] Please see the appendix 1 for a copy of the club survey and appendix 2 for a copy of the national federation survey

underpinning the use of web surveys as opposed to mail surveys.[68] The online questionnaire was developed using Bristol Online Surveys (BOS), an online survey package for which Birkbeck currently has a user account. BOS is one of the leading online survey development packages for academia in the UK and is used by approximately 130 universities. We created a separate survey with a unique online address through BOS for the club survey in each of the ten languages.

2.1.2. Database creation

The second stage in the research process involved the creation of a database that contained the details of all top division clubs in the 53 national federations and all national federations. Although this was the second stage, it occurred simultaneously with the first stage. The database was created using the list of addresses that was provided by UEFA. The club database contained a total of 730 clubs – this was the population. The database was organized by country and contained an email address for each of the clubs except for 20 clubs where the email address was not included in the UEFA address list. We followed this up by looking at the website of each of these 20 individual clubs; however this only yielded a further six email addresses. The national federation database contained the name of the president, the general secretary and an email address for each of the 53 national federations.

2.1.3. Data collection

The third stage of the research process involved collecting the data. The data collection process began at the end of November with an email sent to all

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[68] Kaplowitz (2004)

clubs in the database. Although it has been shown that personalizing an email can result in an increased response rate due to recipients having a heightened perception of the importance and value attached to them,[69] this was difficult for two reasons. Firstly, there were 730 clubs on the database, therefore the time implication of sending individual emails was significant. Secondly, the majority of emails addresses were generic emails rather than individual contacts therefore it was felt that the personalization of the initial email would have had minimal impact. The 53 national federations were emailed at the beginning of December. In contrast to the club survey, the general secretary each of the national federations was personally addressed in the email.

A number of steps were taken to improve the response rate. For example, the emails to the clubs were sent in one of ten languages. Whilst this will have helped to minimize the language bias, it is also the case that there were 53 different countries and therefore multiple languages, with many clubs receiving the survey in English rather than their native language. Every email sent also clearly set out the objectives of the survey and assured the football clubs and national federations that their response would be kept confidential and anonymous. However the first round of emails resulted in the identification of two issues. First, it was found that there were many clubs for which we did not have the correct email address. A total of 101 email addresses were not recognized. The websites of these 101 clubs were reviewed and a total of 24 different email addresses were identified. Therefore

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[69] Heerwegh et al (2005)

from the original population of 730 we were able to contact 639 football clubs directly.[70] Secondly there was an initially poor response rate from both the clubs and the national federations. Only 10 clubs and four national federations responded to the first email. A second email was sent to the football clubs in mid-December – this again only resulted in a small number of clubs responding.

Despite following best practice guidelines in relation to improving the response rate, the initial poor response rate was the key challenge in the data collection stage. It was realized that in order to increase responses we would need to draw on key institutional actors to help promote the survey. UEFA was contacted and provided assistance by sending an email on our behalf to the national federations in January. Immediately the response rate increased significantly. UEFA followed this up with two further emails to the national federations in February. For the club survey we contacted 30 of the professional leagues in Europe and asked if they would be able to send the details of the survey to their members. We also contacted the European Club Association, which represents 197 European clubs, and they promoted the survey to their members on two occasions. Finally, the individual respondent from each of the national federations was contacted and asked to promote the club survey to the clubs in their country. In addition, two further emails were sent directly to the clubs and to the national federations that had not responded in March.

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[70] The 91 clubs that we were unable to contact consisted of the 77 clubs where we did not have the correct email address and the 14 clubs where we had no email address

2.1.4. Data analysis

The data from the online questionnaire were entered into SPSS, a software package designed to enable statistical analysis. This preserved the individual detail of the responses and, where relevant, allowed direct quotations from the open questions to be identified.

National Federations

In total 43 responses from the national federations were received. This equates to an extremely high response rate of 81 per cent. It was stated earlier that the majority of European football clubs and national federations can be considered as SMEs using the EU definition. The breakdown of the national federation respondents certainly demonstrates this with only 18 percent of those responding to the survey having a turnover of over €50m (chart 2.1).

Chart 2.1 Breakdown of national federation respondents by turnover (%)
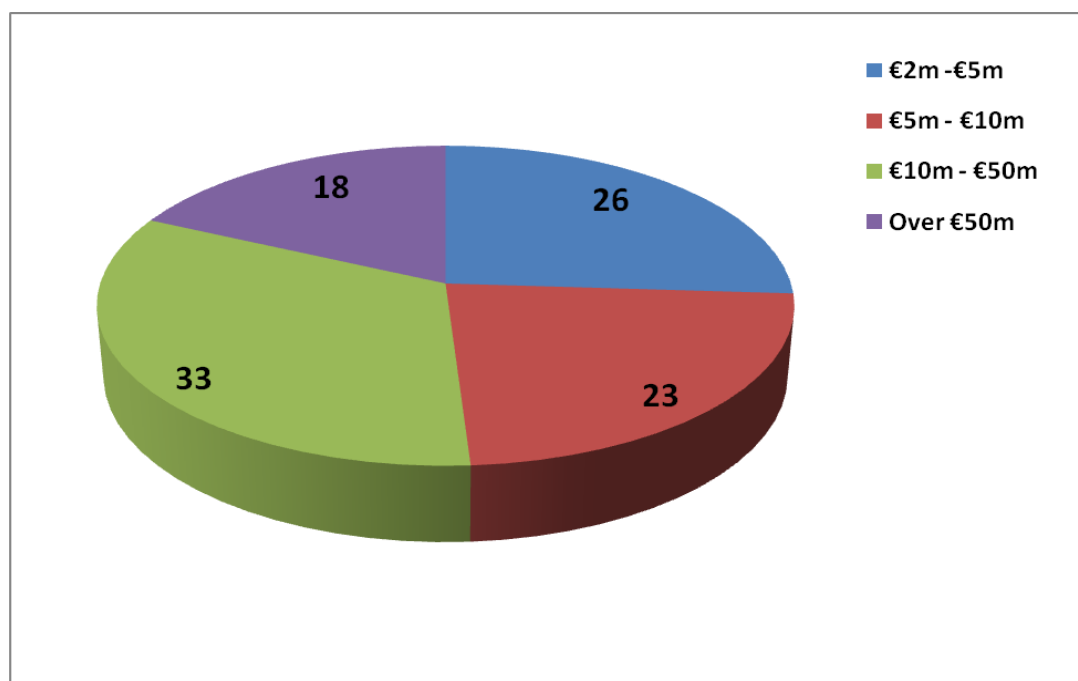
Looking at employee numbers, it also confirms that the majority of national federations are SMEs as only 3 out of the 41 respondents (to this question) have a full-time staff of more than 250. The minimum number of full-time staff in the national federations that responded was 9 while the maximum was 580. The mean number of staff across all 41 respondents was 107.

We also asked the national federations for background financial data. Chart 2.2 demonstrates that the majority of national federations that responded were either operating at break-even or were making a profit with only 5 percent responding that they made a loss.

Chart 2.2 Breakdown of national federation respondents by profit and loss (%)
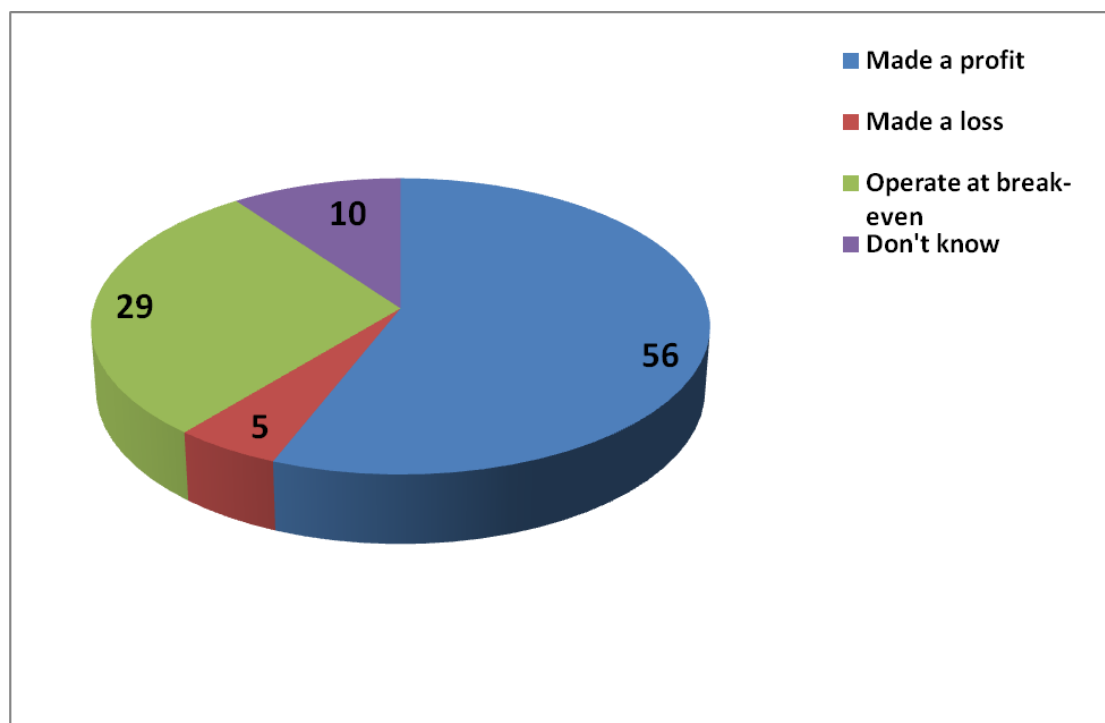
European football clubs

We received 112 responses from football clubs from 44 different countries across Europe. Given the overall population of 730 this represents a response rate of 15 per cent. However we were only able to contact 639 clubs directly via email, which suggests that the response rate was actually around 18 per cent, although the assistance provided by the ECA, the national federations, and the professional leagues means that it is unclear how many of the remaining 91 clubs were contacted and made aware of the survey.

Chart 2.3 Breakdown of football club respondents by profit and loss (%)
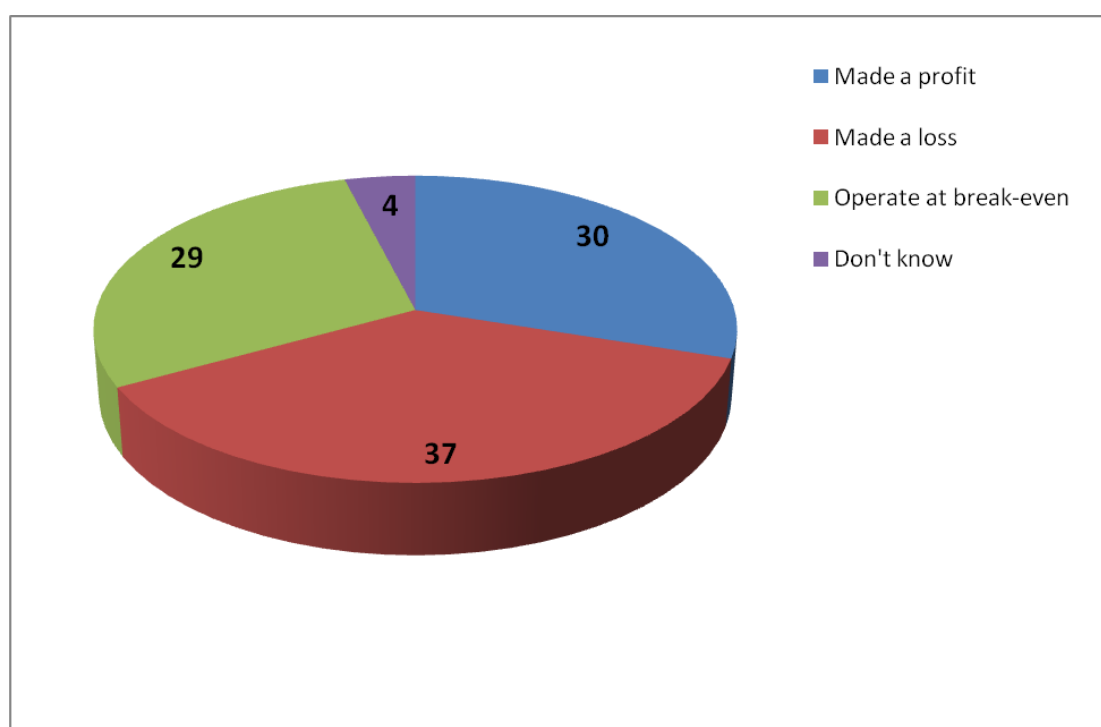

In relation to financial performance, chart 2.3 indicates that 37 per cent of clubs in the sample stated that they made a loss in the previous financial year with 29 per cent stating that they broke even. This figure is in contrast to the recent 2011 UEFA Club Licensing Benchmarking report which, although

based on the 2009 financial year, reported that out of 617 clubs in which financial data had been analyzed, 61 per cent had recorded an operating loss.[71]

We also asked clubs to indicate their turnover for the previous financial year. Chart 2.4 presents a breakdown of the respondents, demonstrating that 57 per cent of clubs in the survey had a turnover of less than €10m; 20 per cent had a turnover of between €10m and €50m; and 23 per cent had a turnover of over €50m.

Chart 2.4 Breakdown of football club respondents by turnover (%)
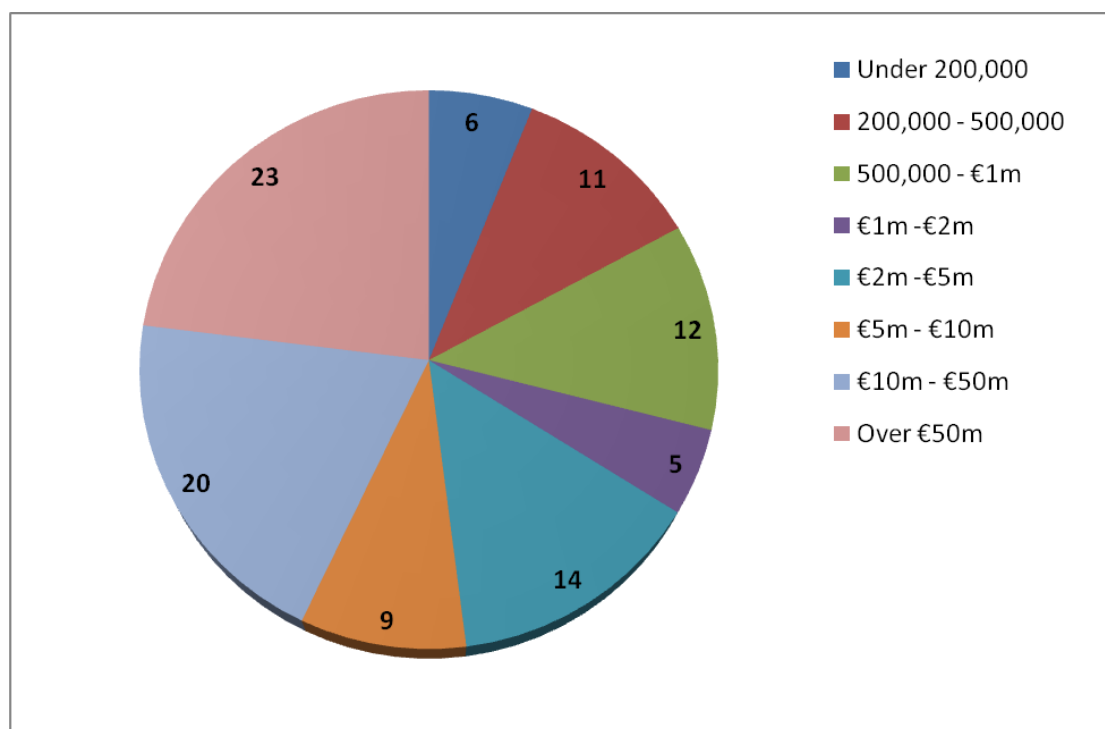
While the figure for turnover would suggest that one in four clubs in the survey was larger than an SME, the mean number of full-time staff at the clubs in the

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survey was 78 and only four clubs had over 250 employees. Taking both turnover and full-time employees into account demonstrates that the majority of professional football clubs in the survey can be considered SMEs.

The recent UEFA Club Licensing Benchmarking Report (2011) presented a breakdown of financial data for 664 top division football clubs across Europe. Table 2.1 illustrates the breakdown of these 664 clubs into five distinct categories based on turnover. It contrasts these with the turnover of our sample respondents that have been split into five similar categories.

Table 2.1 Football club respondents' turnover in relation to UEFA Licensing report (2011)

Our Sample (112 clubs)		UEFA (2011) Report (664 clubs)	
Turnover	**Per cent of clubs**	**Turnover**	**Per cent of clubs**
More than €50m	22.6	More than €50m	10.2
€5m - €50m	29	€5m - €50m	28.3
€1m - €5m	19.4	€1.25m - €5m	22.7
€200,000 - €1m	22.6	€350,000 - €1.25m	21.0
Under €200,000	6.5	Less than €350,000	17.8

What the table demonstrates is that our sample is skewed towards larger clubs across Europe with 22.6 per cent of our respondents having a turnover of over €50m compared to an overall figure provided by the UEFA report (2011) of 10.2 per cent. Moreover the UEFA statistics demonstrate that 61.5 per cent of European top division clubs have a turnover less than €5m compared to 48.5 per cent in our sample. The over-representation of larger

clubs in our sample is to be expected given that smaller clubs are perhaps less likely to respond to a survey on CSR. However this figure can also be explained by the assistance provided by the European Club Association: the 197 European clubs represented by the ECA tend to be the larger club across Europe. Whilst we tried to maximize the response rate from all European countries by promoting the survey to the national federations, we cannot be sure how many of the national federations assisted in our requests.

Differences between large and small European clubs

The possible bias towards larger clubs in the survey needs to be taken into account when analyzing and interpreting the results. For instance a percentage could be inflated compared to the population in favour of larger European clubs. To address this we have analyzed responses to all questions by size of club to see whether there are differences between large and small clubs and we have reported these differences where relevant.[72] To differentiate between large and small clubs, we used turnover as a proxy for organizational size. This is a common approach. It was found that there was a very strong correlation between turnover and the number of full-time employees.[73] We also received a better response to the question on turnover (93 clubs) than on the number of full-time employees (87 clubs); therefore it was decided that turnover can be used as a proxy for organizational size.

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[72] We recoded the club respondents into two groups – those with a turnover of more than €5m (48 clubs) and those with a turnover of less than €5m (45 clubs). We then ran Chi square tests on all questions to see where any statistically significant differences exist at the 5% level between these two groups. Whilst it can be argued that clubs with a turnover of €50m are essentially large clubs there were only 23 clubs in the sample that fell into this category and this was not a large enough number on which to run statistical analysis.
[73] A Spearman rho of +.726 was recorded between number of full-time employees and turnover. This was statistically significant (0.000) therefore turnover can be used as a proxy for organizational size.

The breakdown of the results for the large and small clubs revealed that the average number of employees at clubs with a turnover of less than €5m was 22 compared to 128 for the large clubs (those with a turnover of more than €5m). There were also differences in terms of the ownership structure of large and small clubs. Table 2.2 presents a breakdown of the ownership structures of the clubs in our sample. The main differences are that 39 per cent of smaller clubs are owned by supporters compared to 15.9 per cent of larger clubs. Additionally, 19.5 per cent of smaller clubs have shares divided among a large number of shareholders compared to 31.8 per cent of large clubs in the sample.

Table 2.2 Ownership structures of club respondents

	Small clubs (%)	Large clubs (%)
Listed on the stock market	4.9	9.1
One-person owned	19.5	15.9
Family owned	2.4	11.4
Divided among a large number of shareholders	19.5	31.8
Owned by supporters	39	15.9
Owned by a corporation	14.6	15.9

The next two chapters present the results of the two surveys. The first chapter will focus on the results from the national federation survey and the second chapter will report the results from the football club survey. The results are analysed separately because national federations are different types of organization to football clubs and therefore we do not attempt to draw comparisons between each group. Each chapter will be divided into three sections: Implementation of CSR activities; communication and stakeholder

engagement; and CSR measurement. These sections address four of the five key managerial issues in CSR[74]; the survey did not address the fifth managerial issue – the business case for CSR – directly.

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[74] Lindgreen and Swaen (2010)

3. <u>National Federations and Corporate Social Responsibility</u>

This chapter will present the results of the survey of national federations beginning with the issue of CSR implementation before looking at communication and stakeholder engagement and finally CSR measurement.

3.1. Implementation of CSR activities

It has been argued that a wide range of activities can be considered within the scope of CSR.[75] Whilst this presents a difficulty in defining precisely what constitutes CSR, what is clear is that CSR implementation relates to the ongoing relationship between an organization and different stakeholders. In essence, it is difficult to evaluate CSR implementation without considering the different stakeholder groups that are affected by CSR activities. This section begins by setting out the CSR activities of the national federations in Europe in relation to three stakeholder groups – communities, employees, and the environment. It then identifies key institutional factors and wider socio-economic factors that impact on the national federations.

3.1.1. Communities

A central feature within CSR is how organizations are involved with the communities in which they operate and how they look to behave responsibly towards these communities. For a national federation, this issue is not as straightforward as for a football club. A football club is often strongly associated with, and embedded within, its local community. However a

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[75] Blowfield and Murray (2008)

national federation has a responsibility to oversee the organization of football within a country, and as such, national federations may not directly be involved in community-related initiatives but oversee programmes or schemes that are delivered through their regional structures or indeed through the professional leagues and clubs. Therefore it is perhaps more difficult for a national federation to become embedded within communities in the same way that football clubs have the potential to do so.

Nevertheless, chart 3.1 demonstrates the range of community-related initiatives that national federations are involved in. It shows that 92 per cent and 83 per cent work with local schools and youth programs respectively and that 61.5 per cent are involved in community engagement projects.

Chart 3.1 Percentage of national federations involved in community initiatives
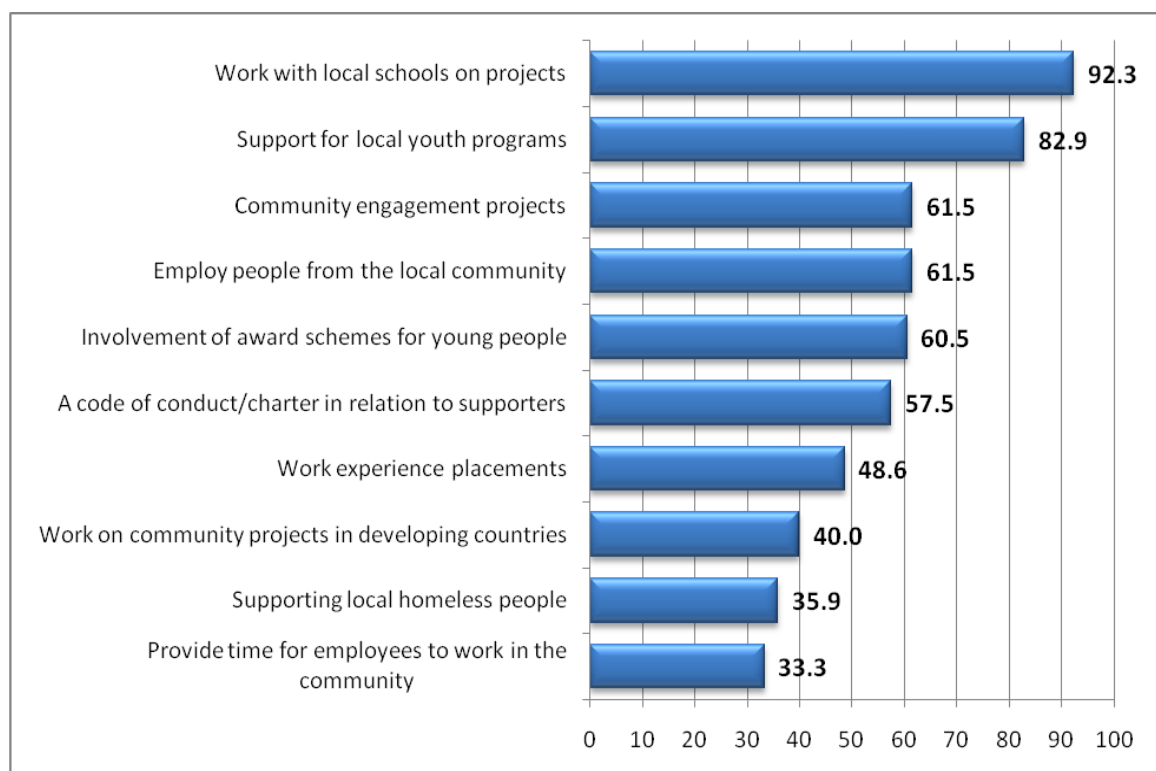
The survey results also revealed that 57.5 per cent of national federations make financial donations to local community projects; 41 per cent make financial donations to local schools; and 55 per cent donate a percentage of profits to charity.

Chart 3.1 also demonstrates that 61.5 per cent employ people from the local community, 48.6 per cent offer work experience placements, and a further 33.3 per cent provide time for employees to work in the community. This latter initiative has been argued to be a way to improve community and employee relations.[76] Interestingly 40 per cent of national federations that responded are involved in community initiatives in developing countries. Further analysis revealed that of those national federations that were involved in community initiatives in developing countries, 85 per cent had a turnover of greater than €10m, demonstrating this was more an issue for the large national federations.

3.1.2. Employees

Whilst community involvement has been a long-standing and central tenet of CSR, more recently research has placed employees, as a key stakeholder group, at the centre of the CSR debate.[77] Within the context of the SME sector, employees have been identified as a very important stakeholder.[78] Chart 3.2 sets out the different types of initiatives that the national federations are involved in. Almost all provide training and development opportunities for
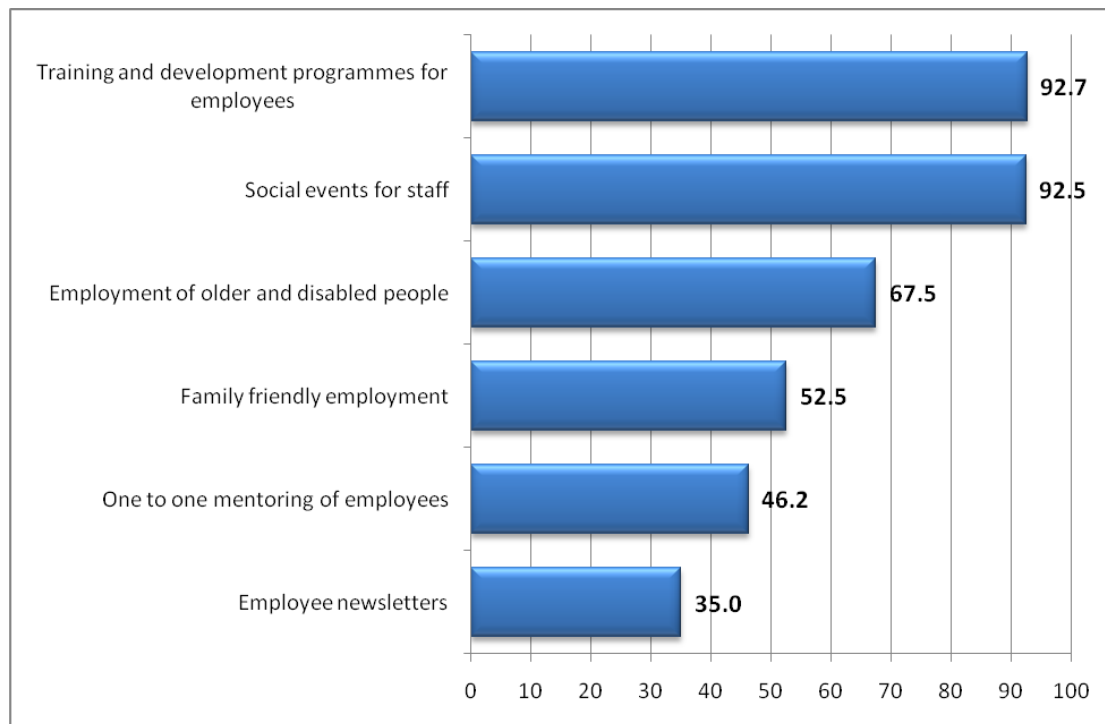
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[76] Muthuri et al (2009)
[77] Van Buren III (2005)
[78] Spence (2007)

staff although only 46.2 per cent offer one-to-one mentoring – a way in which less experienced staff members can develop their knowledge and expertise.

Chart 3.2 Percentage of national federations involved in employee initiatives

The results suggest that many national federations are committed to equality and diversity in the workplace with 67.5 per cent employing older staff members and disabled staff and 52.5 per cent having in place family friendly employment initiatives.

3.1.3. The Environment

Whilst the role that sport organizations play within local communities has long been researched, the ways that sport organizations are seeking to address environmental challenges is less understood. The natural environment is

increasingly being seen as a fundamental aspect of CSR and organizations are faced with pressure to minimize the impact they have on the environment through reducing energy use, pollution and waste.

Chart 3.3 demonstrates the extent to which national federations are implementing environmental initiatives. It shows that the most popular types of initiative are recycling (43.9 per cent) and waste management (41.5 per cent). These are understandable as both types of schemes are more accessible for SMEs in particular and do not require the level of capital outlay that investing in environmental technology (25 per cent of national federations) would.

Chart 3.3 Percentage of national federations involved in environmental initiatives
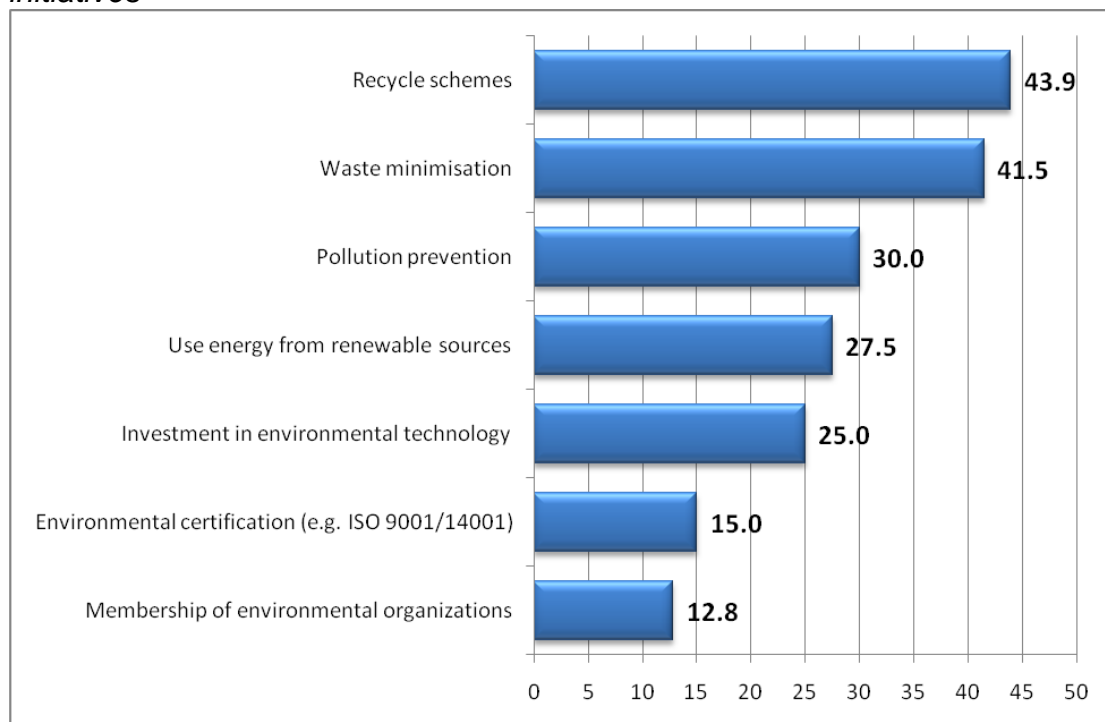

Chart 3.3 also demonstrates that only 15 per cent of national federations have signed up to environmental certification schemes such as the ISO 14001

standards on environmental management and that just 12 per cent are a member of an environmental organization. These findings are entirely consistent with the broader research that illustrates that SMEs are less likely to sign up to CSR standards and codes of conduct than large, multinational organizations.[79]

3.1.4. Institutional Context

The ability to address CSR could be determined by the extent to which CSR is embedded within the institutional structures of an organization. If an organization puts in place institutional support for CSR it could be argued that the organization will be more likely to address different CSR-related issues. The survey identified that 52.5 per cent of national federations have in place a budget for CSR activities (chart 3.4). However it was also found that only 39 per cent of national federations have in place a formal CSR strategy while just 37.5 per cent have an individual dedicated to CSR activities. The key explanation for these figures is that the main responsibility of a national federation is to organize and promote football at all levels including youth, grass-roots and elite level, and therefore CSR might not be high on the list of priorities. However the fact that over half have a CSR budget and that four in ten have a formal CSR strategy suggests that many national federations are aware of the pressures to engage in CSR and are attempting to formalize their involvement.

Further analysis of the data showed that there was a positive correlation

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[79] Spence (2007)

between having a formal CSR strategy and generating funding from government sources and from additional sources.[80] This finding suggests that if a national federation wants to further its commitment to CSR then having a formalized CSR strategy might help to generate increased funding to deliver CSR initiatives. Such a strategy is perhaps a signal to funders that the national federation is committed to CSR and helps to improve trust in the national federation. However it has been argued that pursuing the formalization of CSR in SMEs may not be desirable.[81] Therefore this is an issue that national federations need to consider before deciding upon a more formalized approach.

Chart 3.4 Percentage of national federations reporting institutional support for CSR

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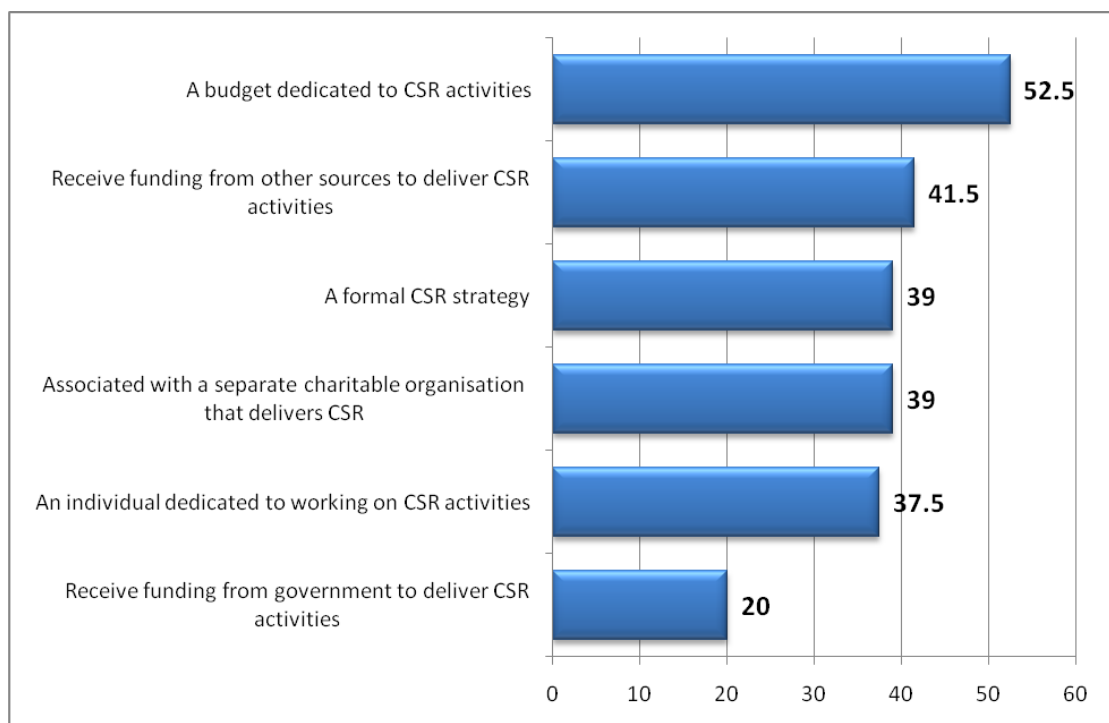
[80] We used the Phi coefficient, a nonparametric correlation coefficient, to identify the strength and direction of the correlation between formal CSR strategy and government funding(+.393; 0.045 significance) and other funding (+.509; 0.031 significance).
[81] Spence (2007)

Chart 3.4 also demonstrates that when it comes to delivering CSR programmes 39 per cent of national federations are associated with a charitable organization. Partnerships have long been recognized as an appropriate mechanism for addressing social problems[82] and, within the context of CSR, partnerships are increasingly prominent.[83] The creation of partnerships can be a way for a national federation to deliver CSR by drawing on the knowledge and expertise of an organization experienced in the delivery of CSR-related initiatives.

In addition to institutional support for CSR, previous research has identified a range of different factors that can influence the selection of areas of social involvement.[84] Chart 3.5 illustrates the importance of a range of issues that determine which CSR activities national federations choose to engage in. It shows that the most important factor was the seriousness of a social need, with 65 per cent stating that this was either important or very important. While it has been argued that personal motivation may be more important than PR motives in SMEs,[85] it would appear that the public relations value of a particular social action was also an important or very important factor, with 57.5 per cent of national federations demonstrating an instrumental motivation. This instrumental motivation does not appear to transcend into financial objectives however with only 17.1 per cent stating that the profitability of the venture was either important or very important. Chart 3.5

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[82] Waddock (1988)
[83] Seitanidi and Ryan (2007: 413), claim that partnerships are "one of the most exciting and challenging ways that organizations have been implementing CSR in recent years".
[84] Holmes (1976)
[85] Spence (2007)

also shows that over 80 per cent of national federations stated that government pressure was not influential in the selection of social areas. This suggests that most national federations consider themselves autonomous organizations, not subject to close government control, at least on the issue of CSR.

Chart 3.5 Percentage of national federations reporting the factors that influence social involvement
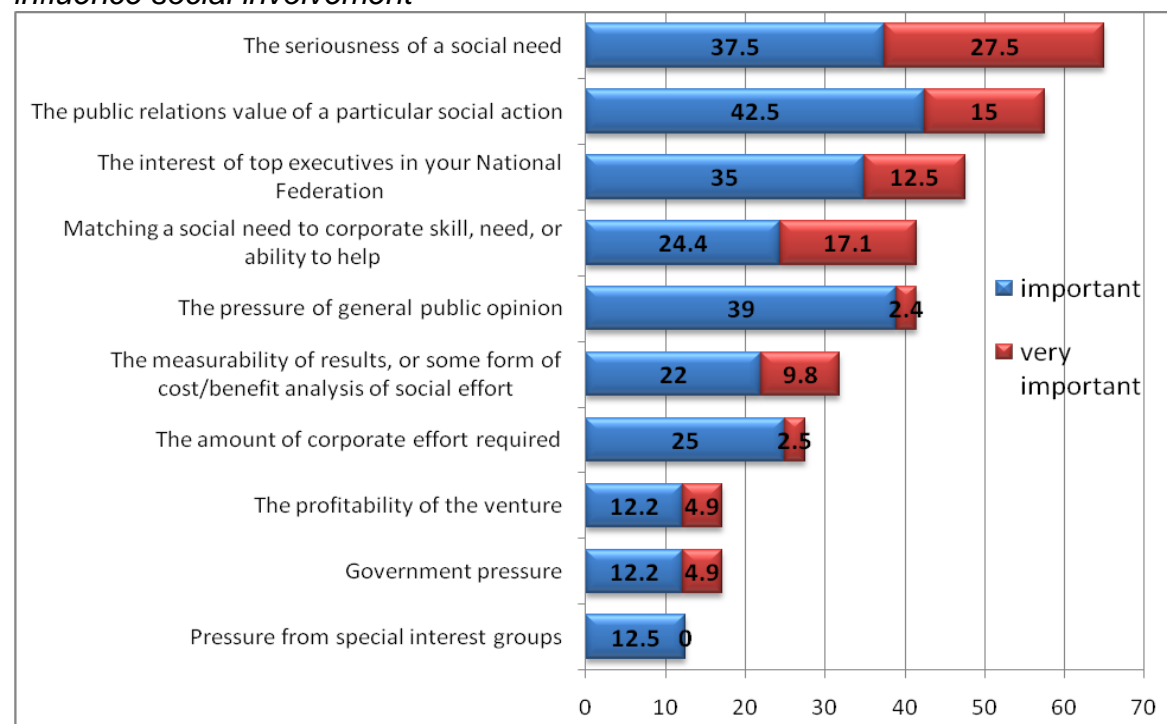
Previous research has revealed that time and resource constraints, and getting employees involved were key challenges faced by SMEs.[86] Chart 3.6 shows that these three issues also ranked as three of the four main challenges faced by national federations. Almost 70 per cent stated that resource constraints in particular was the main challenge. Given that only 20 per cent and 41.5 per cent receive funding from government and from other

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[86] This finding was consistent across all 24 case study organizations in research by Jenkins (2006)

organizations respsctively, it is clear that many national federations are funding CSR activities internally.

Chart 3.6 Percentage of national federations reporting implementation challenges

Resource constraints — significant 39, very significant 29.3
Securing funding — significant 34.1, very significant 24.4
Time constraints — significant 43.9, very significant 12.2
Getting employees involved — significant 41.5, very significant 7.3
Making connections with the community — significant 34.1, very significant 14.6
Maintaining the momentum of activities — significant 41.5, very significant 4.9
A lack of information or support — significant 39, very significant 4.9
Embedding a culture of CSR in the National Federation — significant 34.1, very significant 4.9
Measuring and quantifying the benefits of CSR — significant 24.4, very significant 7.3

3.2.   Communication and Stakeholder Engagement

Organizations need to communicate their CSR activities in order to ensure a positive consumer perception and to enhance brand loyalty.[87] Indeed, many organizations now report their CSR activities through CSR or sustainability reports and through advertising and communication channels.[88] Our survey asked national federations whether they report their CSR activities through formal reporting practices. It found that 23.1 per cent publish an annual social report and 10 per cent report environmental activities. At present, therefore, it

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[87] Du et al (2010)
[88] ibid

appears that few national federations directly report many of their CSR activities.

However communication is an issue that goes beyond formal reporting of CSR activities. In fact, it can be argued that communication should be an ongoing part of the process of stakeholder engagement. Our survey explored this by focusing on various aspects of stakeholder engagement including: how far national federations took stakeholders into account when making decisions; which stakeholders were most important to national federations; and what particular stakeholder communication and engagement strategies national federations used.

Chart 3.7 Percentage of national federations that monitor the concerns of legitimate stakeholders and take them into account when making decisions
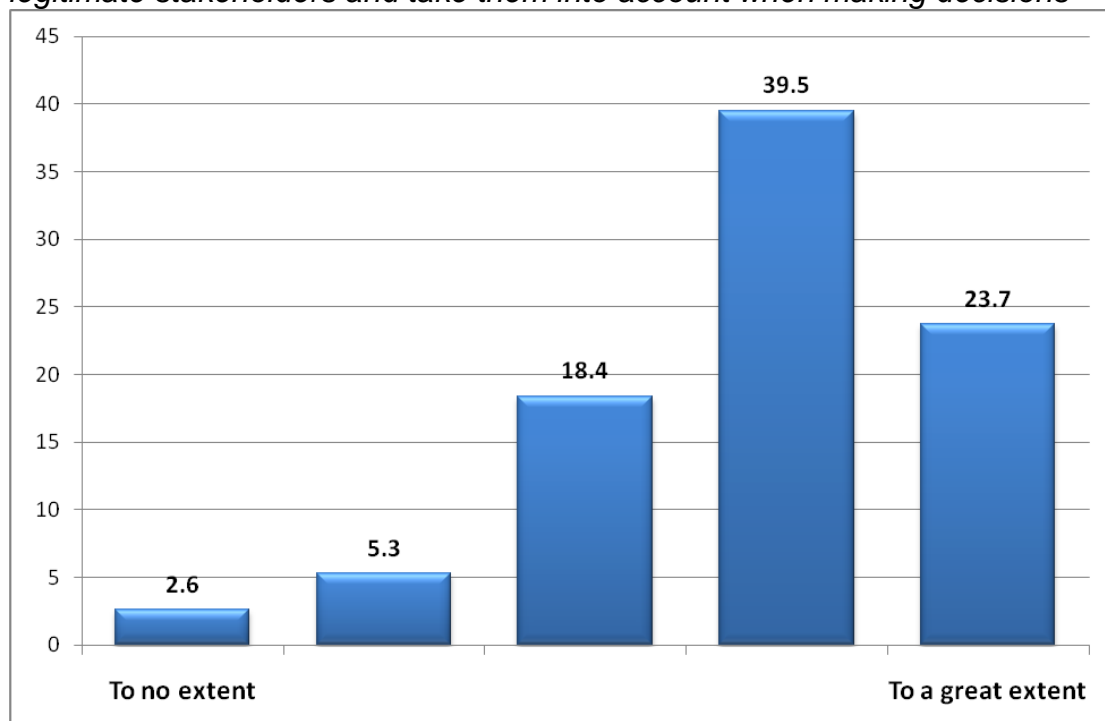
Chart 3.7 shows that the majority of national federations (63.2 per cent) reported that they monitored the concerns of legitimate stakeholders and took them into account when making decisions. This suggests a broad stakeholder orientation among national federations. However, it is only by exploring which stakeholders national federations pay attention to and how they interact with various stakeholder groups that we can get an understanding of stakeholder engagement.
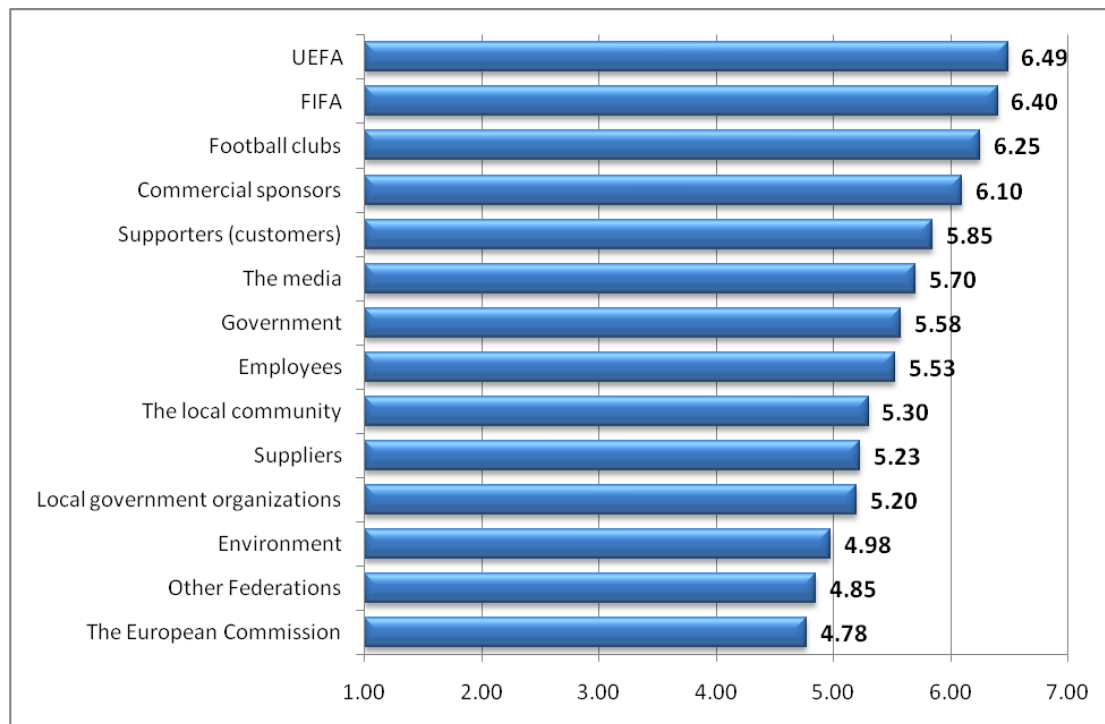
The survey asked national federations which stakeholders they prioritized.[89] Previous research has demonstrated that stakeholder salience (i.e. the degree to which organizations prioritize stakeholders) is related to a stakeholder's power, its legitimacy and the urgency of its various claims.[90] The results, in which each stakeholder was effectively given a 1-7 rating, are displayed in Chart 3.8. Among national federations, the international governing bodies – UEFA and then FIFA – were accorded highest priority, followed by their member clubs. It is interesting to note the financial imperatives affecting national federations, as they tended to prioritize commercial sponsors above other stakeholder groups, such as supporters and their own employees.

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[89] Specifically, the question asked: Please indicate, on a scale of 1 - 7, how strongly you agree with the following statement as it applies to the stakeholder groups/organizations listed below: THIS GROUP/ORGANIZATION RECEIVES HIGH PRIORITY FROM OUR NATIONAL FEDERATION. This was followed by a list of 15 stakeholders. Please see Appendix 1 for more information.

[90] Mitchell, Agle and Wood (1997); Agle et al. (1999).

*Chart 3.8 – Aggregate mean scores for stakeholder prioritization*

The survey also probed the ways in which national federations thought about various stakeholder groups and examined particular engagement strategies they used. It asked national federations how far they agreed with a series of statements on these issues. Some of the results from this part of the survey are closely linked to implementation and therefore to some of the results discussed in section 3.1. As discussed in chapter 1, the various strands of CSR overlap. So, while this section concentrates on stakeholder engagement and mainly examines national federations' orientation towards broadly defined stakeholder groups, it naturally touches on some more specific engagement strategies and practices in which national federations are involved.

Chart 3.9 examines employees and shows that a large majority of national federations were interested in employee development and education. 75.6 per

cent either agreed or strongly agreed that their policies encourage employees to develop their skills and careers and 73.2 per cent that they support employees who want to gain additional education. In section 3.1.2, we saw that, in fact, a large majority of national federations are actually involved in such practices (92.7 per cent reported that they deliver training and development schemes for employees). In addition, 58.5 per cent agreed or strongly agreed that the policies they implemented sought to provide a good work/life balance for employees. Again, this tallies with other results. We saw earlier that 52.5 per cent of national federations currently implement family friendly policies.
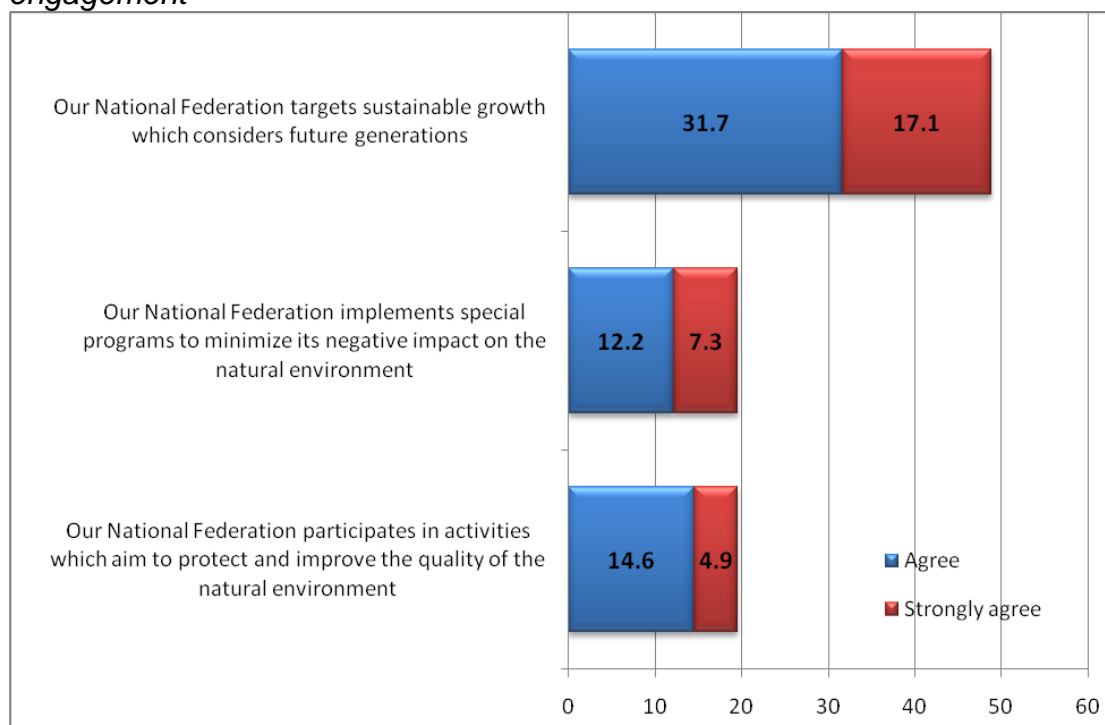
Chart 3.9 – Percentage of national federations reporting employee engagement
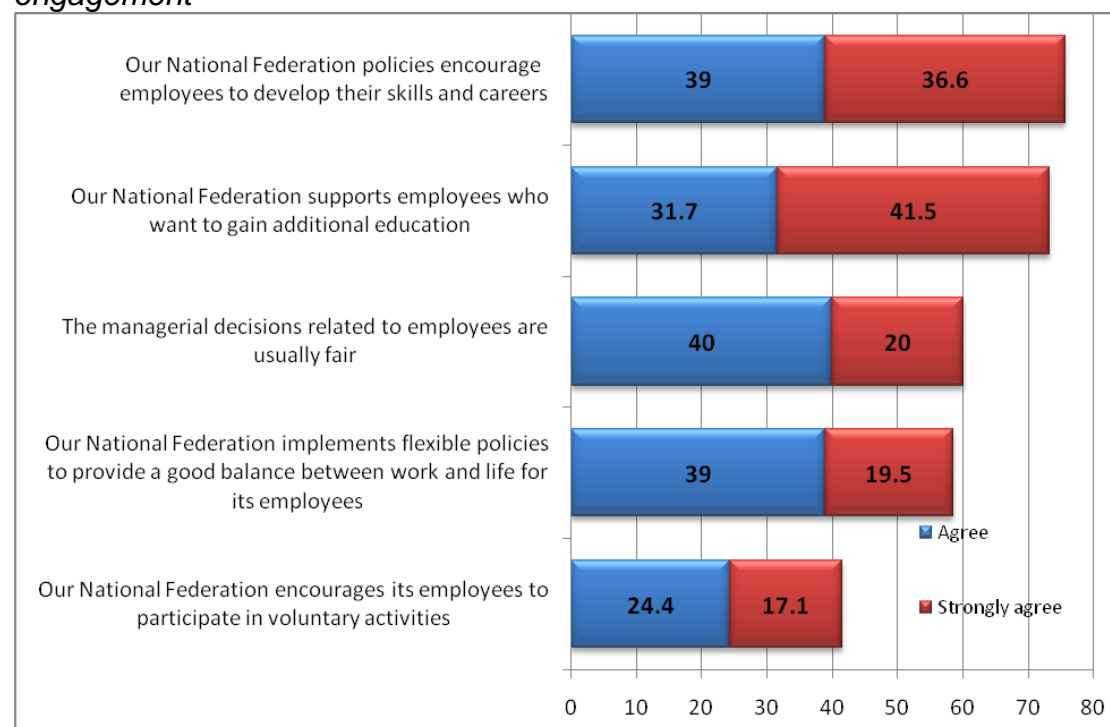
As discussed in the earlier section on implementation, the ways in which sport organizations address environmental challenges are not well understood.

Nevertheless, the natural environment is increasingly considered a legitmate stakeholder, which organizations ought to take into account. Chart 3.10 looks at some of these issues. It shows that just less than half of all national federations surveyed (48.8 per cent) either agreed or strongly agreed that they targeted sustainable growth which considers future generations. However, the results of the survey suggest that fewer national federations are engaged in active strategies in this area. Just under a fifth of federations (19.5 per cent) agreed or strongly agreed that they participate in activities which aim to protect and improve the quality of the natural environment, or implement special programs to minmize negative impacts on the natural environment.

Chart 3.10 – Percentage of national federations reporting environmental engagement

However, it is possible that these findings do not take full account of some of the specific actions that national federations are taking. For example, as

reported in section 3.1.3, 43.9 per cent of national federations are currently involved in recycle schemes, 41.5 per cent in waste minimisation, 30 per cent in pollution prevention and 27.5 per cent use energy from renewable sources. The picture that seems to emerge from these results is one in which national federations are starting to engage in certain specific actions to minimize their negative environmental impacts, but are perhaps not thinking about them in terms of a broader environmental strategy. This could also be related to the fact that 39 per cent of national federations have a formal CSR strategy – if the various aspects of CSR were consolidated within a formal strategy then it may enable national federations to think about CSR in a more holistic way.

The survey also sought to understand more broadly how national federations see their role in society. Chart 3.11 displays the results. It shows that, overall, national federations reported that they did consider that they had a role in the well-being of society. More than half (56.1 per cent) either agreed or strongly agreed that they emphasized the importance of their social responsibilities to society and, further, that they made investment to create a better life for future generations. Chart 3.11 is interesting because society and future generations, broadly defined as stakeholders, have generally been considered as having a secondary or less direct impact on the operations of many organizations.[91] However, in recent decades, increasing concerns about global problems have made many people more aware of the well-being of their surroundings and future generations.[92] These results seem to support such a view; they suggest
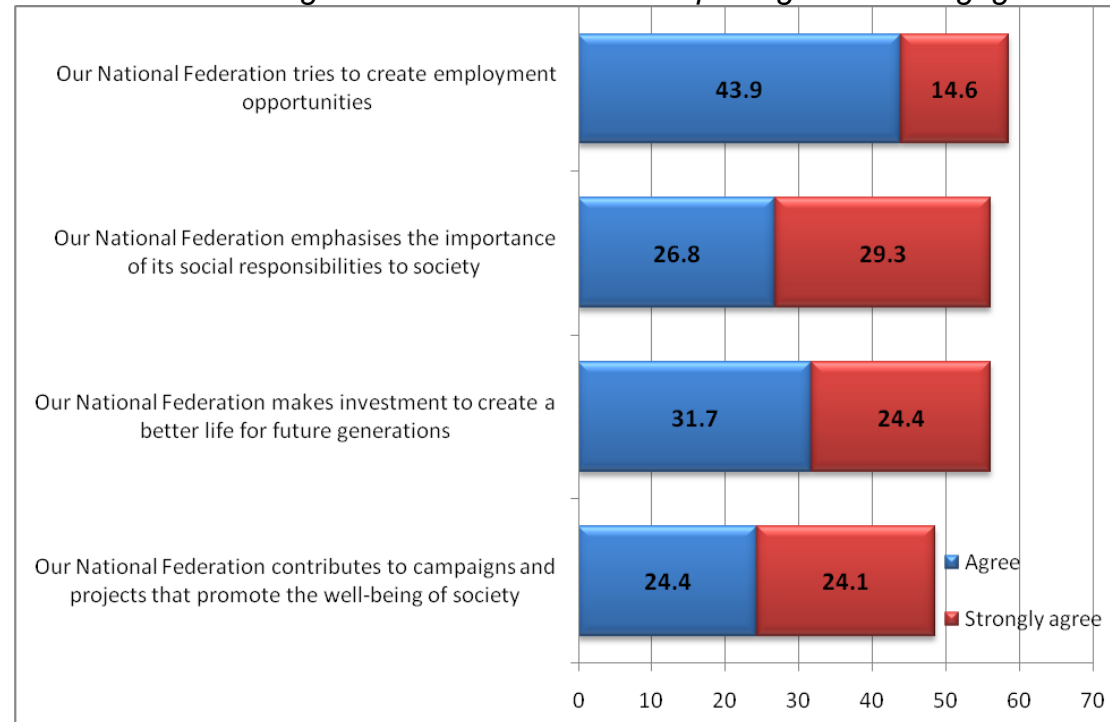
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[91] Wheeler and Sillanpaa (1998).
[92] Turker (2009).

that national federations are not simply concerned with narrow football interests, but identify a broader role for their operations.

Chart 3.11 Percentage of national federations reporting societal engagement

3.3.   CSR Measurement

Measuring CSR is far from straightforward. As discussed in chapter 1, the CSR concept itself is hotly debated and there are strong arguments around what should count as responsible CSR behaviour. As recent academic research has highlighted, CSR is multi-dimensional: its initiatives vary from voluntary programmes to minimize negative environmental impacts to employee benefit schemes or sourcing initiatives that protect social welfare.[93] In chapter 2, we discussed different academic approaches to measuring CSR.

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[93] Lindgreen and Swaen (2010).

Here, we focus on national federations' own efforts to monitor and evaluate their CSR activities.

First, the survey sought to find out what proportion of national federations monitor and/or evaluate their CSR activities. Monitoring refers to the systematic tracking of activities through collection of information. This may mean recording basic figures on particular programmes, for example, the number of employees on voluntary placements, or the number of young people involved in community initiatives. Evaluation refers to the examination of particular activities in order to ascertain their value or worth. This is a more intensive exercise, which may involve agreeing medium and long term outcomes from various projects and measuring these systematically, rather than simply recording numbers of participants. Or it may involve in-depth research with stakeholders, seeking to understand the impact of particular CSR activities.

Chart 3.12 shows that over half of national federations surveyed (57.9 per cent) monitor their CSR activities. As expected, a smaller percentage (32.4 per cent) carry out evaluation. A small number of national federations also reported their particular approaches to evaluating CSR. These included annual surveys and partnerships with external organizations, such as universities. Such partnerships are often an effective way for national federations to evaluate the impact of their CSR activities, as they allow them to draw on the research skills that may not be available within the federations themselves.

Chart 3.12 Percentage of national federations that monitor and evaluate CSR activities
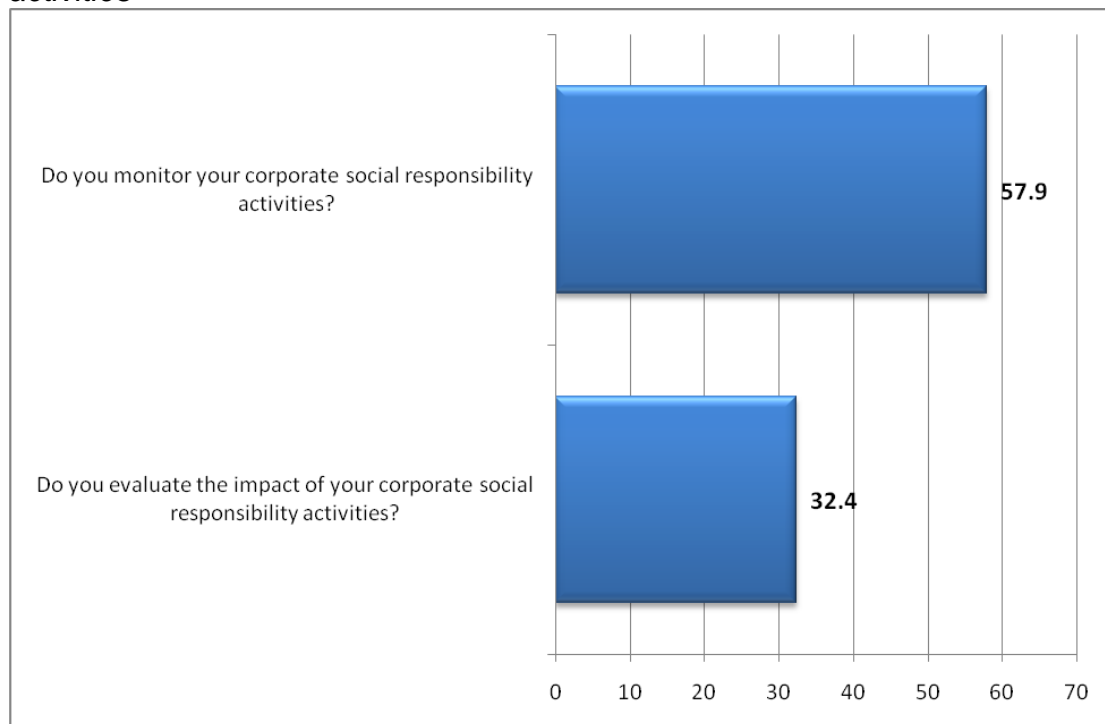
The survey also asked national federations how difficult they found measuring the benefits of CSR. Chart 3.13 displays the results and demonstrates the clear challenge in this area. 60.6 per cent of national federations reported that they found measuring the benefits of CSR either difficult or very difficult and just 7.9 per cent indicated that they found it not very, or not at all, difficult. This is certainly an on-going challenge, but it is a key one. In order for organizations and their stakeholders to pursue mutually beneficial activities in the area of CSR, it is necessary to evaluate current practice and to understand the impact of an organization's activities and how these may be improved.

Chart 3.13 Percentage of national federations reporting how difficult they find measuring the benefits of CSR activities
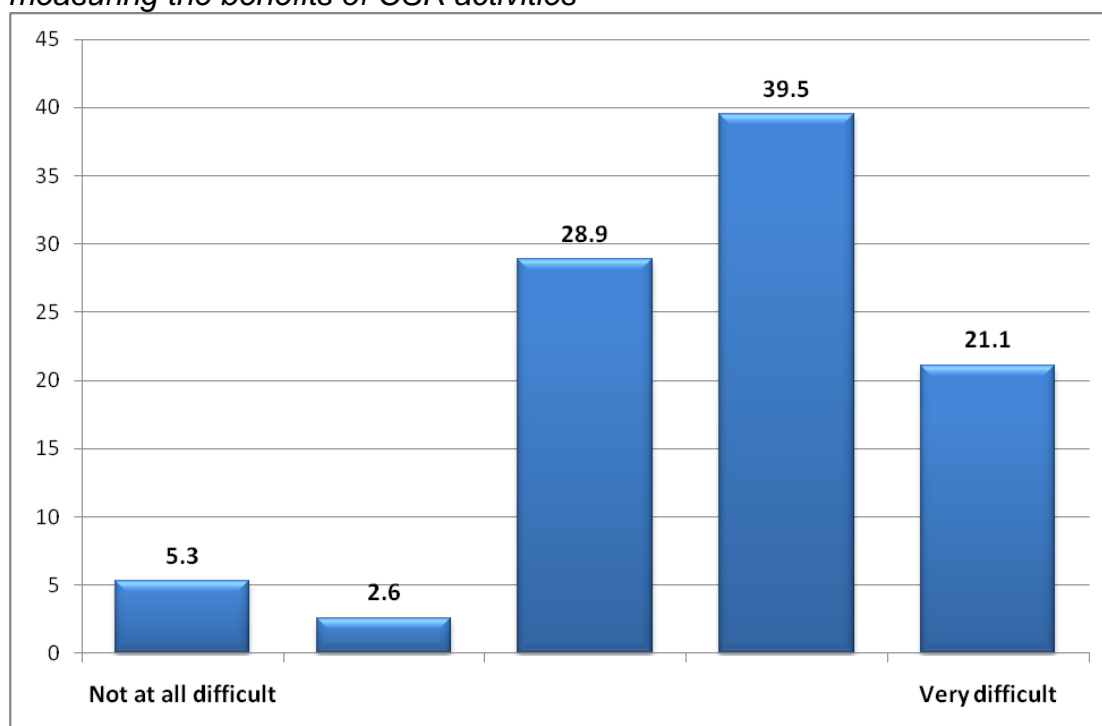
4. <u>European Football Clubs and Corporate Social Responsibility</u>

This chapter will present the different ways that European football clubs are implementing CSR before looking at communication and stakeholder engagement and finally CSR measurement.

4.1. Implementation of CSR activities

As with the previous chapter on the national federations, this section will consider the ways that European football clubs implement CSR in relation to three stakeholder groups – communities, employees, and the environment. It then identifies key institutional factors and wider socio-economic factors that impact on European clubs.

4.1.1. Communities

Previous research has shown that SMEs tend to be embedded within their local communities and therefore maintaining a relationship within those communities is important.[94] It has been argued that football clubs can often play a significant role in the development of local identity and a sense of place[95] that underpins the ongoing relationship between clubs within their communities. Nevertheless, the notion of 'community' is complex[96] and involves a variety of different stakeholder groups. This was reflected in the survey when we asked clubs to state whether they were involved in a series of community-related initiatives that reflect the fact that different stakeholder groups within the community exist.

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[94] Jenkins (2004); Spence (2007)
[95] Morrow (2003)
[96] Brown et al (2006)

Chart 4.1 illustrates that a high percentage of clubs work with local schools (89.1 per cent), provide support for youth programs (81.2 per cent), and are involved with award schemes for young people (61.6 per cent). Moreover over 70 per cent of football clubs are involved in community engagement projects and employ people from the local community, whilst 41.8 per cent and 39.4 per cent provide time for employees to work in the community and support local homeless people respectively.

Chart 4.1 Percentage of football clubs involved in community initiatives
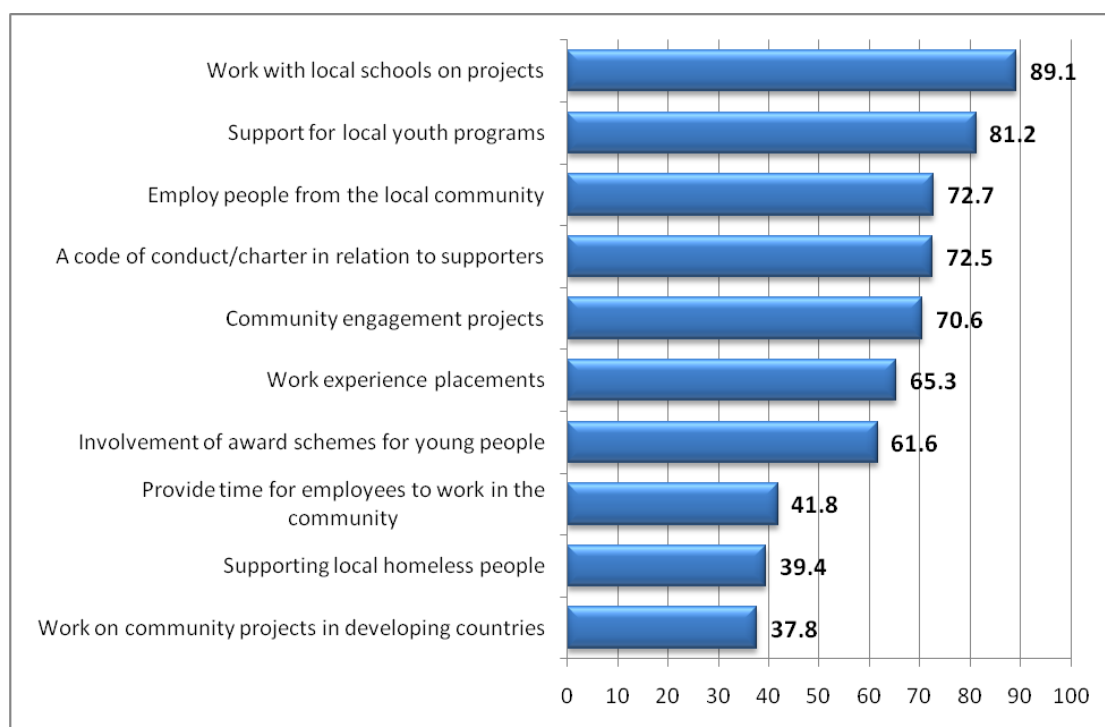

Chart 4.1 also illustrates that 72.5 per cent of clubs have a code of conduct in relation to supporters – a key stakeholder - while 37.8 per cent of clubs in the survey are involved in community projects in developing countries, demonstrating that the notion of 'community' can span national borders.

As discussed in chapter 2, we also analyzed the responses for two distinct groups: football clubs with a turnover of more than €5m (48 clubs) and those with a turnover of less than €5m (45 clubs). Table 4.1 shows that there was a statistically significant difference between these two groups in relation to some of the community initiatives. For example, large clubs are more likely to work on community projects in developing countries – this is entirely understandable given that small clubs will be focused on delivering within their local geographical area and will not have the same level of international awareness or resources to devote to CSR in developing nations. Table 4.1 also shows that there was a significant difference between large clubs and small clubs in relation to work experience placements, work with local schools and community engagement projects, with large clubs more likely than small clubs to implement them.

Table 4.1: Differences between large and small clubs in relation to community initiatives

Community Initiative	Chi Square	Significance
Work on community projects in developing countries	10.386	0.006
Supporting local homeless people	5.791	0.045
Provide time for employees to work in the community		N/S
Involvement of award schemes for young people		N/S
Work experience placements	11.621	0.003
Community engagement projects	10.510	0.005
A code of conduct/charter in relation to supporters		N/S
Employ people from the local community		N/S
Support for local youth programs		N/S
Work with local schools on projects	4.785	0.091

The survey results also revealed that 43.9 per cent of football clubs make financial donations to local community projects; 31 per cent make financial donations to local schools; and 52 per cent donate a percentage of profits to charity. Despite the fact that only 30 per cent of clubs in the sample stated

that they made a profit, there was no correlation found between whether a club recorded a profit and whether they made financial donations. In light of the financial fair play regulations from UEFA there may be concern that clubs will reduce their financial commitment to community initiatives. Whilst the UEFA Club Licence clearly sets out that certain expenses are considered as exceptions and will not be used in the calculation of the break-even result – expenditure on community development activities is one of the exceptions[97] - it will be interesting to see whether the pressure to meet the break-even requirement of the licence will result in football clubs making a trade-off between investing in community activities and diverting funds to cover expenses that are included in the break-even calculation.

4.1.2. Employees

Chart 4.2 presents the percentage of clubs involved in a range of different employee-related initiatives. It demonstrates that the majority of clubs provide training and development programmes for members of staff and run social events. This is important given previous research on SMEs that stated that employees are a key stakeholder.[98] Chart 4.2 also shows that the majority of clubs are committed to equality and diversity with 64.7 per cent employing older staff members and disabled staff. 51 per cent of clubs also indicated that they also have one-to-one mentoring schemes in place, 47.5 per cent have family friendly employment initiatives and 39.8 per cent have employee newsletters. When comparing large clubs with small clubs, statistically

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[97] Please see appendix 3 for a breakdown of the activities that are considered under the remit of community development from the UEFA Licence (2010)

[98] Spence (2007)

significant differences were found only in relation to employee newsletters and the employment of older and disable people (larger clubs were more likely to implement these CSR activities). Given that the difference in the average number of employees (22 at the small clubs compared to 128 at the large clubs) then these results are expected. For example, it could be argued that a newsletter is not required for a small organization.

Chart 4.2 Percentage of football clubs involved in employee initiatives
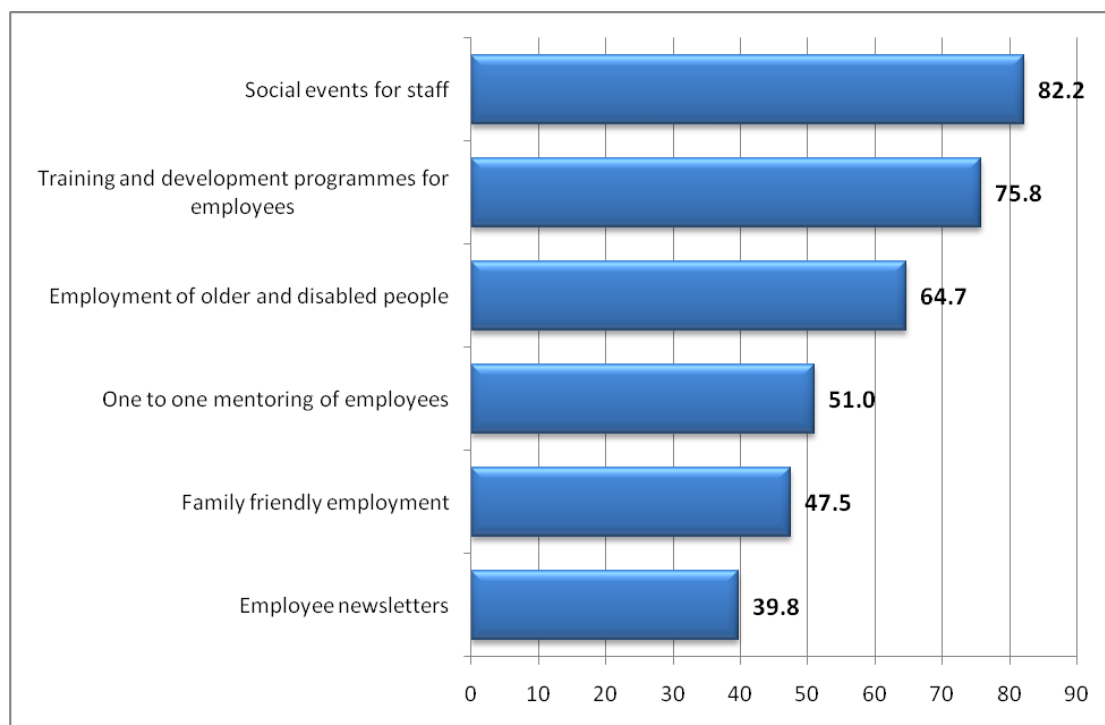
4.1.3. Environment

Although environmental issues are increasingly a fundamental aspect of CSR, the results in chart 4.3 set out the variety of environmental initiatives that the club respondents are involved in. For example 50.5 per cent of clubs are involved in recycling, 46.6 per cent have waste minimization schemes, and 41

per cent are involved in pollution prevention schemes. Clubs were also asked

if they invest in environmental technology or use energy from renewable

sources with 29.3 per cent and 29 per cent respectively indicating that they

do. These figures demonstrate that a larger percentage of football clubs are

addressing CSR through community and employee-related initiatives than

environmental schemes. This could change going forward as there is

increased focus on the issue of environmental sustainability in sport.

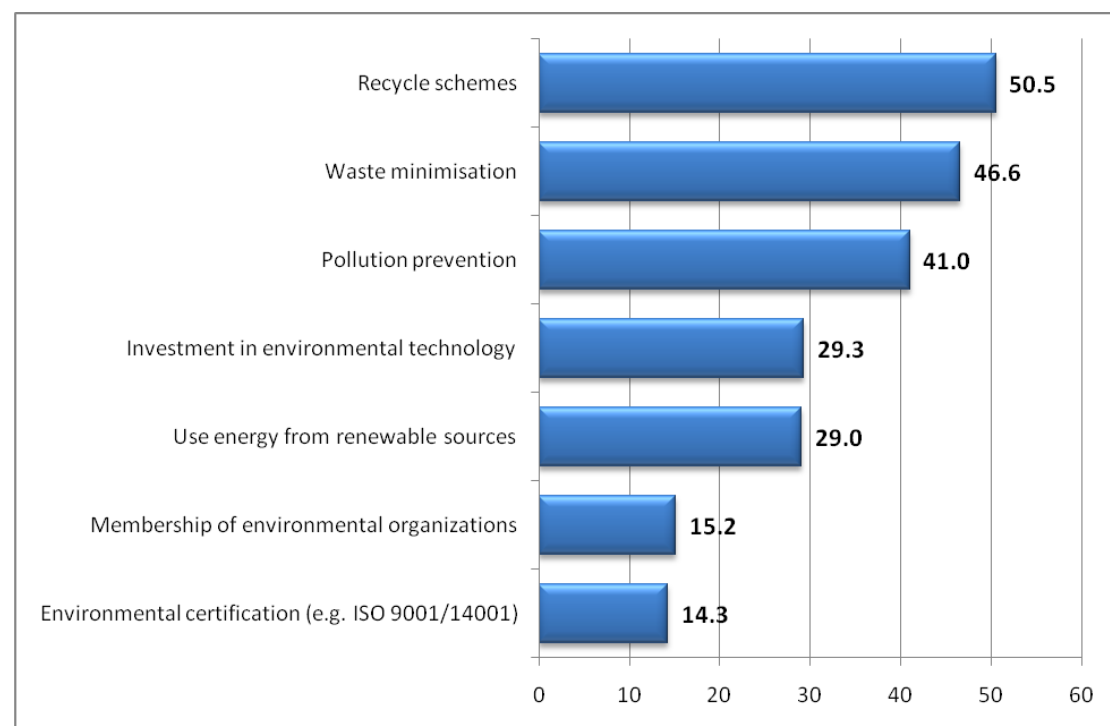*Chart 4.3 Percentage of football clubs involved in environmental initiatives*

Table 4.2 indicates that significant differences were found between large and

small clubs in relation to a number of environmental initiatives. Large clubs

were more likely to use energy from renewable sources, invest in

environmental technology, and implement pollution prevention and recycling

schemes.

Table 4.2: Differences between large and small clubs in relation to environmental initiatives

Community Initiative	Chi Square	Significance
Environmental certification (e.g. ISO 9001/14001)		n/s
Membership of environmental organizations		n/s
Use energy from renewable sources	10.924	0.004
Investment in environmental technology	17.346	0.000
Pollution prevention	18.059	0.000
Waste minimization		n/s
Recycle schemes	10.177	0.006

4.1.4. Institutional Context

The pressure to achieve sporting success has been the key factor in player wage inflation that has caused financial instability across many European leagues and at many individual clubs. Given that running a professional football team is the main objective of a football club, and in the context of the resulting financial pressures, it is understandable that CSR may not be a high priority at many clubs. Chart 4.4 appears to bear this out as it reveals that 55.6 per cent of club respondents have a formal CSR strategy; 53.2 per cent have an individual dedicated to working on CSR; and 45.5 per cent have a CSR budget. There are many clubs therefore for which CSR has not been formalized within the organizational structure. Chart 4.4 also shows that many football clubs are funding CSR activities internally as only 24.5 per cent receive funding assistance through government funds and 34 per cent from other sources of funding. 31.3 per cent also have an association with a separate charitable organization that delivers CSR. Football clubs were also asked to identify the additional sources of funding. It was revealed that of the 25 clubs that responded to this question, 10 of these received funding from sponsors to deliver CSR-related projects. From this it suggest that there exists

the potential for football clubs to leverage their community/CSR work into sponsorship deals to align with the commitment that many commercial organizations have to CSR and to ensure that there is funding for the football club to deliver CSR programmes.

Chart 4.4 Percentage of football clubs reporting institutional support for CSR
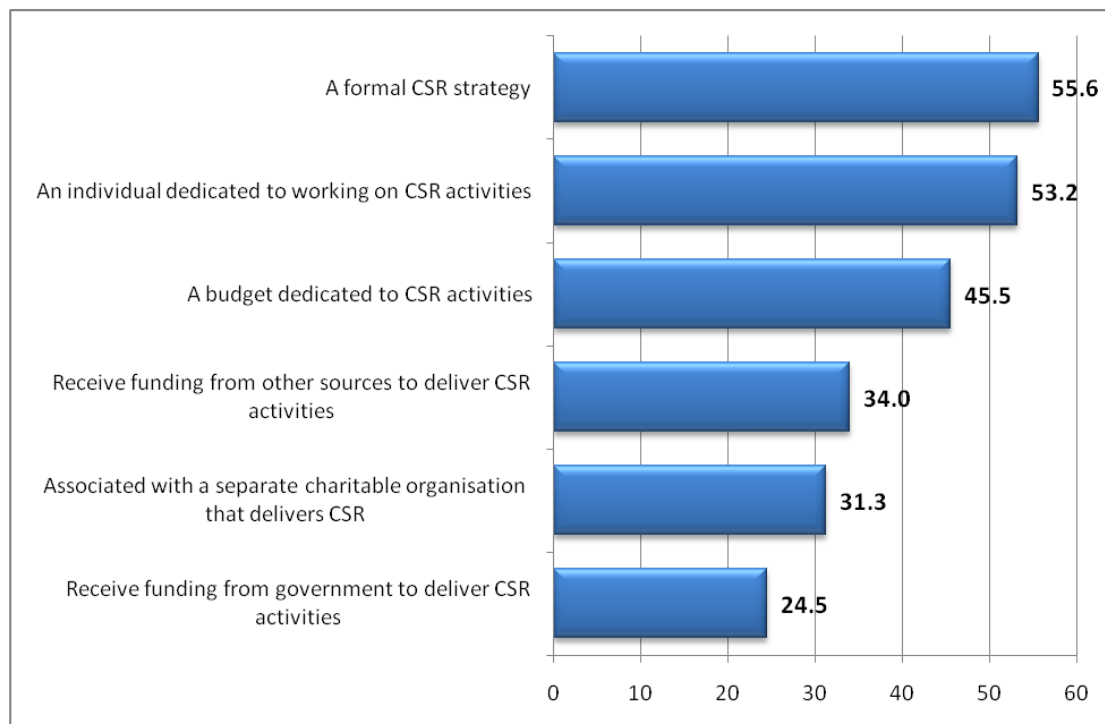
We undertook further analysis to understand whether there were differences between large clubs and small clubs in relation to the institiutional factors in chart 4.4. Table 4.3 demonstrates that, with the exception of whether a club had an individual dedicated to CSR issues, there were statistically significant differences between football clubs with a turnover of more than €5m and those with a turnover of less than €5m for all aspects. The difference in all cases was skewed towards the larger clubs – therefore it is more likely that larger clubs will have a formal CSR strategy; a dedicated budget for CSR

activities; receive government funding; receive funding from other sources; and be associated with a charitable organization that delivers CSR on behalf of the club.

Table 4.3: Differences between large and small clubs in relation to institutional support

Community Initiative	Chi Square	Significance
A formal CSR strategy	8.707	0.013
A dedicated budget for CSR activities	13.638	0.001
An individual dedicated to CSR		n/s
Receive government funding	6.998	0.030
Receive funding from other sources	8.198	0.017
Associated with a charitable organization	13.638	0.001

Further analysis of the data revealed that there was a strong positive correlation between having a formal CSR strategy and generating funding from government sources and from additional sources.[99] This finding suggests that if a football club wants to further its commitment to CSR then having a formalized strategy could be a potential first step. Having such a strategy could be a factor in helping a football club to generate increased funding to deliver CSR initiatives, perhaps demonstrating to funders a strong level of commitment to CSR.

Chart 4.5 illustrates the different factors that determine which CSR activities football clubs are involved in. It shows that the most important factor was the seriousness of a social need, with 63 per cent stating that this was either important or very important. Matching a social need to corporate skill, need or ability to help was the second most important factor, demonstrating that clubs

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[99] We used the Phi coefficient, a nonparametric correlation coefficient, to identify the strength and direction of the correlation between formal CSR strategy and government funding (+.502; 0.0000 significance) and other funding (+.704; 0.000 significance).

prefer to identify their own strengths and use these to address CSR. This helps to explain why the main CSR activity at many football clubs is usually the delivery of community football schemes. The public relations value of a particular social action was also an important or very important factor at 41.4 per cent of football clubs although only 14 per cent stated that the profitability of the venture was important with just 4 per cent answering that it was very important.

Chart 4.5 Percentage of football clubs reporting factors that influence social involvement
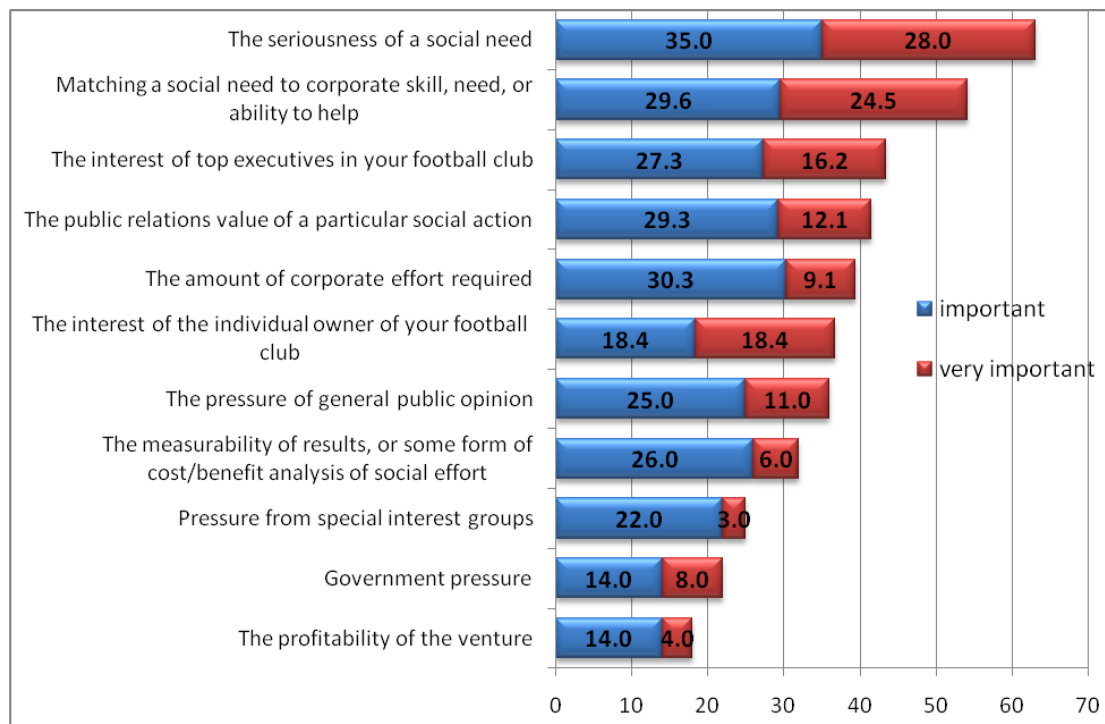

Chart 4.6 shows the challenges that football clubs face when implementing CSR. It shows that resource constraints was deemed the most significant challenge (64 per cent of clubs) whilst 59 per cent of clubs reported that securing funding a key challenge. Unsurprisingly there was a very strong

correlation between these two challenges.[100] 62.7 per cent of clubs reported that making connections with the community is either a significant or very significant challenge. This finding is interesting because it is often stated that clubs are embedded within their communities and that they are a community institution. The results in chart 4.6 suggest that this does not happen automatically and that clubs should not take the local community for granted and instead work to engage with local communities.

Chart 4.6 Percentage of football clubs reporting implementation challenges
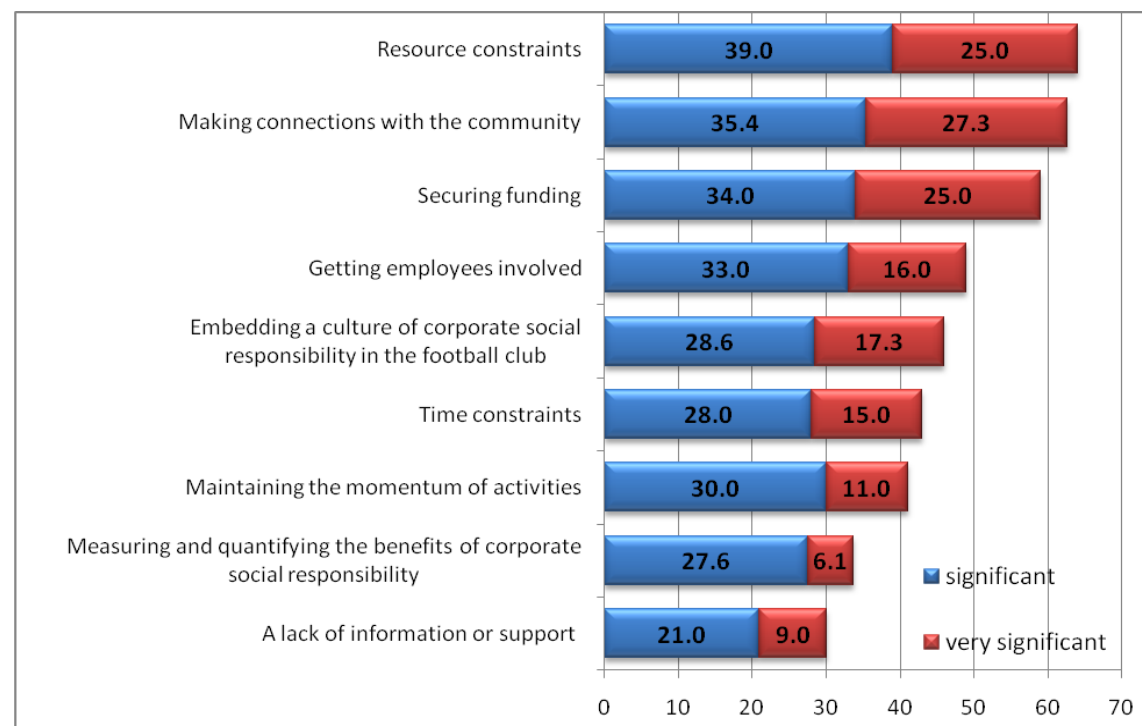

Chart 4.6 also shows that 45.9 per cent of clubs found embedding a culture of CSR within the football club to be a significant or very significant challenge and whilst measuring the benefits of CSR is far from straightforward the

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[100] Spearman rho of +.667 was recorded between resource constraints and securing funding. This was statistically significant at the 0.01 level (0.000)

survey revealed that almost 70 per cent of clubs do not find that measuring and quantifying the benefits of CSR to be a significant challenge.

We analysed the differences between large clubs and small clubs in terms of the factors that influence social involvement and the challenges in implementing CSR type initiatives and found that the only significant differences were in relation to the seriousness of a social need and measuring and quantifying the benefits of CSR. Overall, the results have shown that there are a number of significant differences between large clubs and small clubs in relation to the types of CSR activity that football clubs are implementing. However our analysis suggests that the factors that determine which CSR activities football clubs are involved in and the challenges that clubs face when implementing CSR are not associated with organizational size and are similar across all football clubs.

4.2.   Communication and Stakeholder Engagement

Whilst communicating CSR activities is an important managerial challenge for organizations, few football clubs in the survey directly report many of their CSR activities with 14.3 per cent of clubs reporting environment activities and 29.3 per cent producing an annual social report. Nevertheless, formal reporting is only one part of communication. For example, whilst stakeholder engagement is considered an important managerial challenge in its own right, it is clear that there are significant overlaps and a close association between engaging with stakeholders and communication. The survey explored this by focusing on how far football clubs took stakeholders into account when

making decisions; which stakeholders were most important to football clubs; and what particular stakeholder communication and engagement strategies football clubs used.

The survey results indicated that just over half of football clubs (53.8 per cent) monitor the concerns of legitimate stakeholders and take them into account when making decisions. However, there is a need to understand which specific stakeholders' football clubs pay attention to, which are considered most important, and how they interact with these different stakeholders. Football clubs were therefore asked to rank which stakeholders they prioritized, on a scale of 1 – 7, as a way to determine which stakeholders were salient. Chart 4.7 presents the results. It shows that the most important stakeholder was the supporter, with a mean score of 6.13, followed by commercial sponsors with a mean score of 5.97. These two stakeholder groups are also the two main sources of income for many football clubs, therefore this result is unsurprising.

Chart 4.7 also shows that national federations and UEFA were also highly prioritized stakeholders. There was no significant difference found between large clubs and small clubs except in relation to the European Commission. Although at the bottom of the list of stakeholders in terms of priority, it was found that large clubs are more likely to place a higher priority on the European Commission than smaller clubs.

Chart 4.7 Aggregate mean scores for stakeholder prioritization
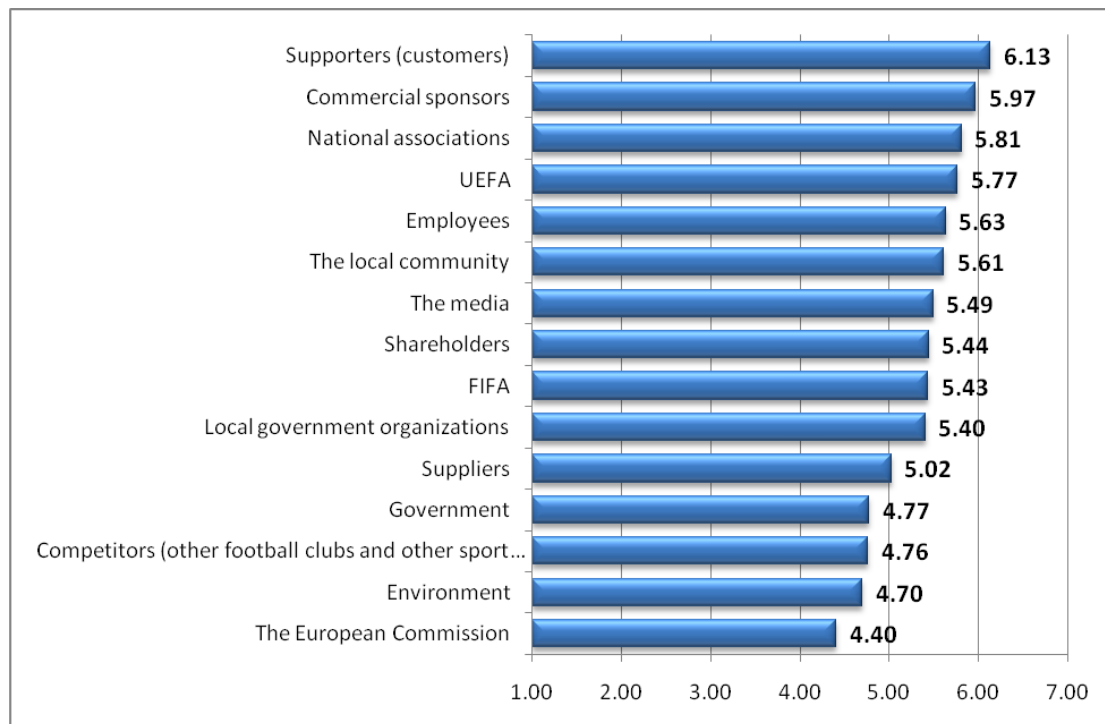
The survey also examined particular engagement strategies that football clubs used in relation to particular stakeholder groups. As mentioned in the previous chapter there is a significant degree of overlap between the managerial challenges associated with CSR and therefore some of the results from this part of the survey are closely linked to issues surrounding implementation that were discussed in section 4.1.

Chart 4.8 illustrates that a majority of football clubs were interested in employee development and education with 62.7 per cent stating that they agreed or strongly agreed that they encourage employees to develop their skills and careers. Similarly, 58.8 per cent support employees that want to gain additional education. Earlier results showed that 75.8 per cent of football clubs are doing this the implementation of training and development schemes

for employees (chart 4.2). Chart 4.8 also shows that 33.7 per cent of clubs agreed or strongly agreed that the policies they implemented sought to provide a good work/life balance for employees. Previous results showed that 47.5 per cent of football clubs currently implement family friendly policies.

Chart 4.8 Percentage of football clubs reporting employee engagement
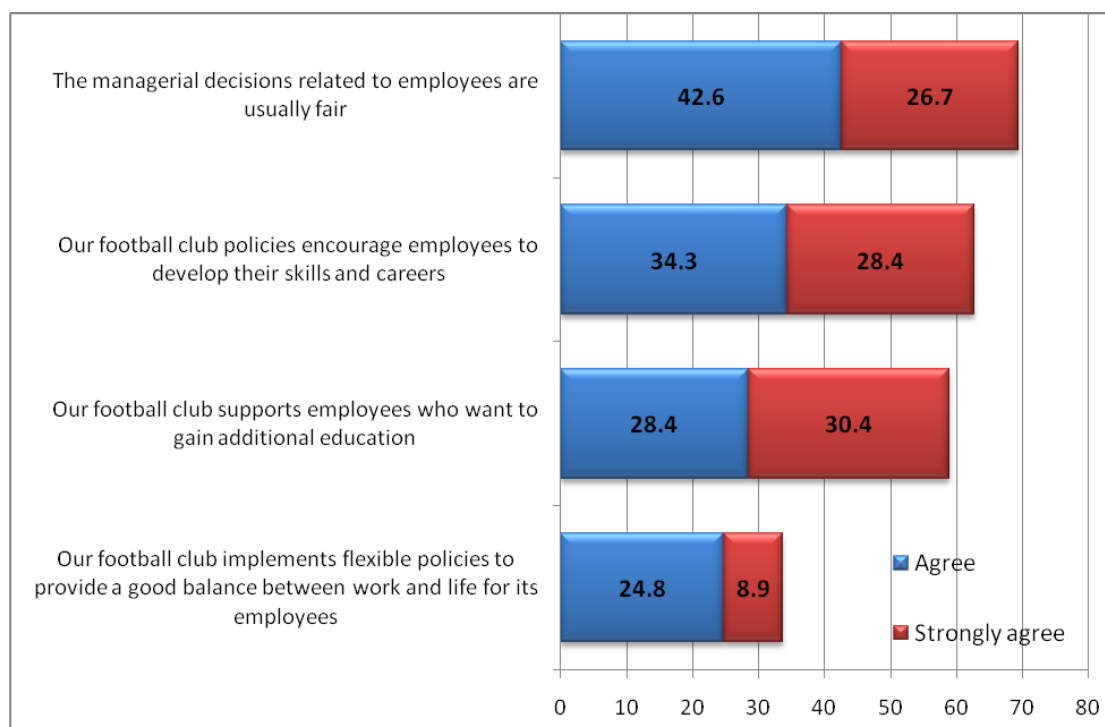
Chart 4.9 considers ways in which football clubs take the natural environment into account. It shows that 40.4 per cent either agreed or strongly agreed that they targeted sustainable growth which considers future generations with 31.7 per cent agreeing that they participate in activities which aim to protect and improve the quality of the natural environment, or implement special programs to minmize negative impacts on the natural environment. However earlier results showed that 50.5 per cent of clubs are involved in recycling, 46.6 per cent have waste minimization schemes, and 41 per cent are involved in

pollution prevention schemes – therefore it suggests that the findings in chart 4.9 do not take these initiatives fully into account. As is the case with the results from the national federation survey, it suggests that football clubs are starting to engage in specific initiatives to minimize their negative environmental impacts, but in some cases are not considering these initiatives as part of a a broader environmental strategy.

Chart 4.9 Percentage of football clubs reporting environmental engagement
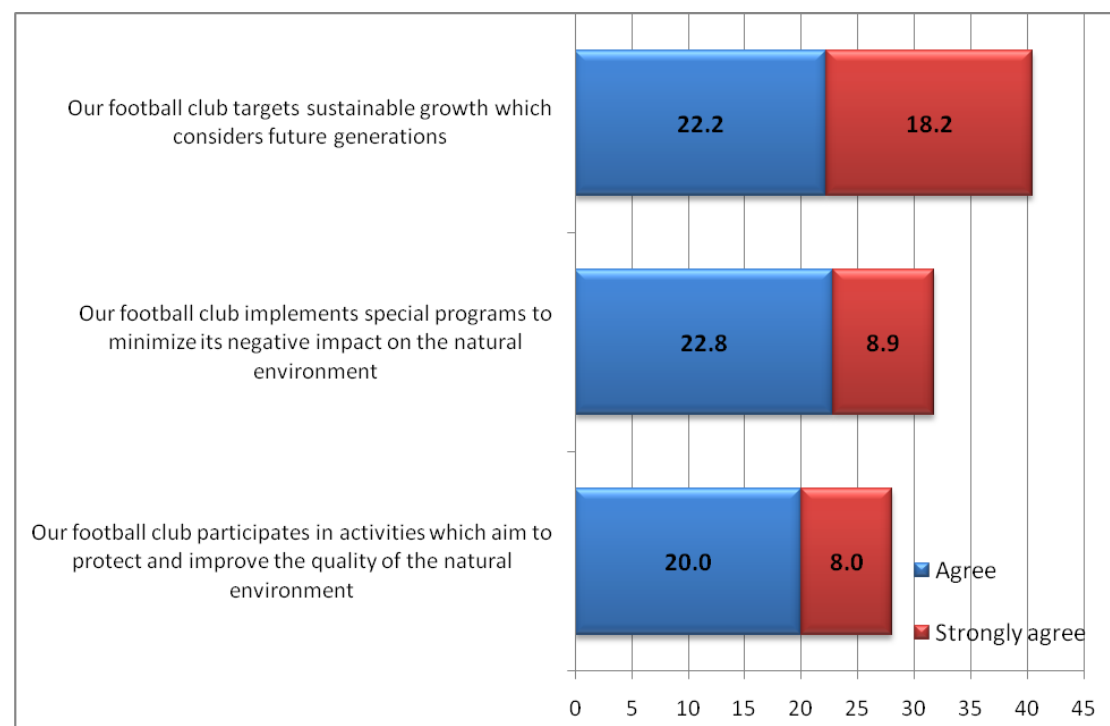
The survey also sought to understand more broadly how football clubs consider their wider role in society. Despite the fact that football clubs have an overarching sporting role, the results suggest that football clubs are not simply concerned with narrow football interests, but identify a broader role for their operations. For example, chart 4.10 shows that 89.2 per cent of football club respondents either agreed or strongly agreed that they comply with legal

regulations and 86.1 per cent stated that they paid taxes on a timely and regular basis. This is an issue that has been recognized in the context of English football. The large numbers of football club administrations that have occurred between 1992 and 2011 have often resulted in a significant debt to Her Majesty's Revenue and Customs (HMRC) and have led the football authorities to closely monitor football clubs' tax payments to avoid this problem.

Chart 4.10 Percentage of football clubs reporting societal engagement
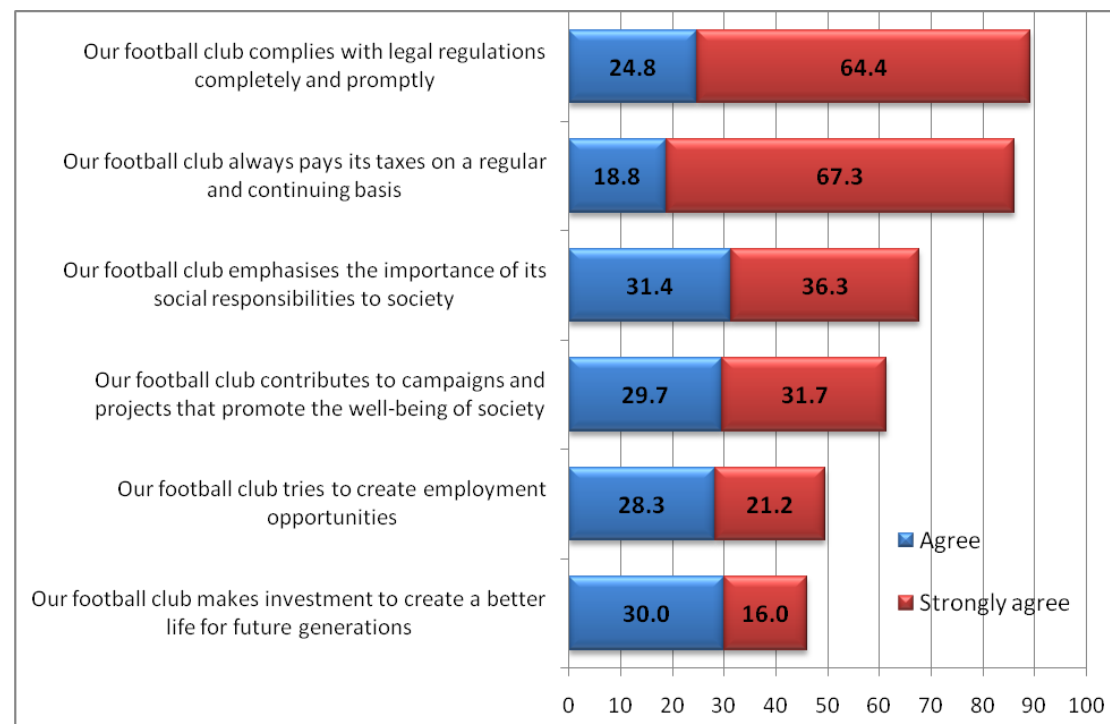
Chart 4.10 also shows that overall the majority of football clubs reported that they did consider that they had a role in the well-being of society with 67.7 per cent agreeing or strongly agreeing that they emphasized the importance of their social responsibilities to society. Furthermore the majority of clubs felt that they contribute to campaigns to promote the well-being of society (61.4

per cent) while 46 per cent agreed or strongly agreed that they made investment to create a better life for future generations.

4.3. CSR Measurement

The academic debates that centre on the measurement of CSR have been discussed previously and the multi-dimensional nature of CSR has been taken into account in the section on implementation. Within the football industry, often individual football club community schemes will report quantitative statistics that relate to the number of children engaged in CSR related programmes. This is an example of monitoring through the systematic tracking of activities through collection of information.

Chart 4.11 Percentage of football clubs that monitor and evaluate CSR activities

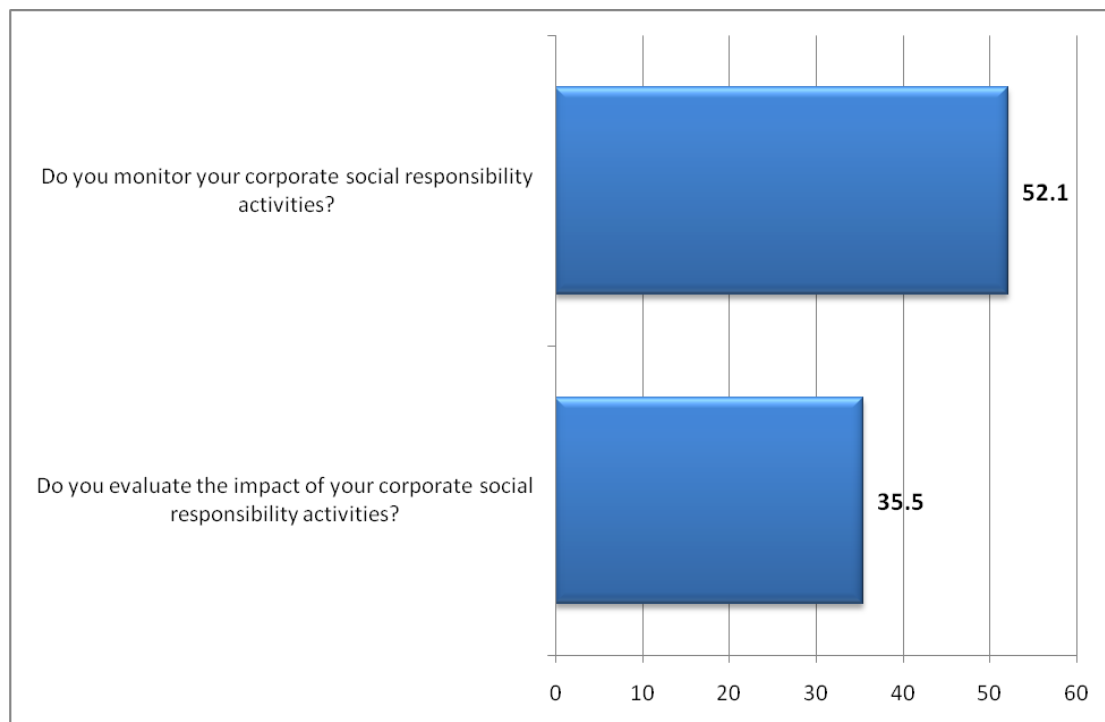Chart 4.11 illustrates that 52.1 per cent of clubs reported that they monitor their CSR activities. It also shows that 35.5 per cent are evaluating the impact of CSR activities. Evaluation is more challenging and can often require in-depth longitudinal research rather than simply recording numbers of participants. A small number of football clubs also indicated the approaches used to evaluate CSR. A common one was the use of surveys, often in partnership with an external organization such as a university or a community foundation. Such partnerships are often an effective way for football clubs to evaluate the impact of their CSR activities, as they allow them to draw on the research skills that may not be available within the club themselves.

Chart 4.12 demonstrates that 47.3 per cent of football clubs stated that they found measuring the benefits of CSR to be difficult or very difficult and only 9.7 per cent stating that it was not very, or not at all, difficult. This demonstrates that measuring the benefits of CSR is an on-going challenge, despite the fact that only 33.7 per cent of football clubs stated that measuring and quantifying the benefits of CSR (see chart 4.6) was a significant or very significant challenge. However in order for football clubs and their various stakeholders to pursue mutually beneficial activities in the area of CSR, it is necessary to evaluate current practice. This is particularly relevant for commercial sponsors who may be more inclined to sponsor a club with a strong evidence base that demonstrates the impact and value of CSR schemes.

Chart 4.12: Percentage of clubs reporting how difficult they find measuring the benefits of CSR activities
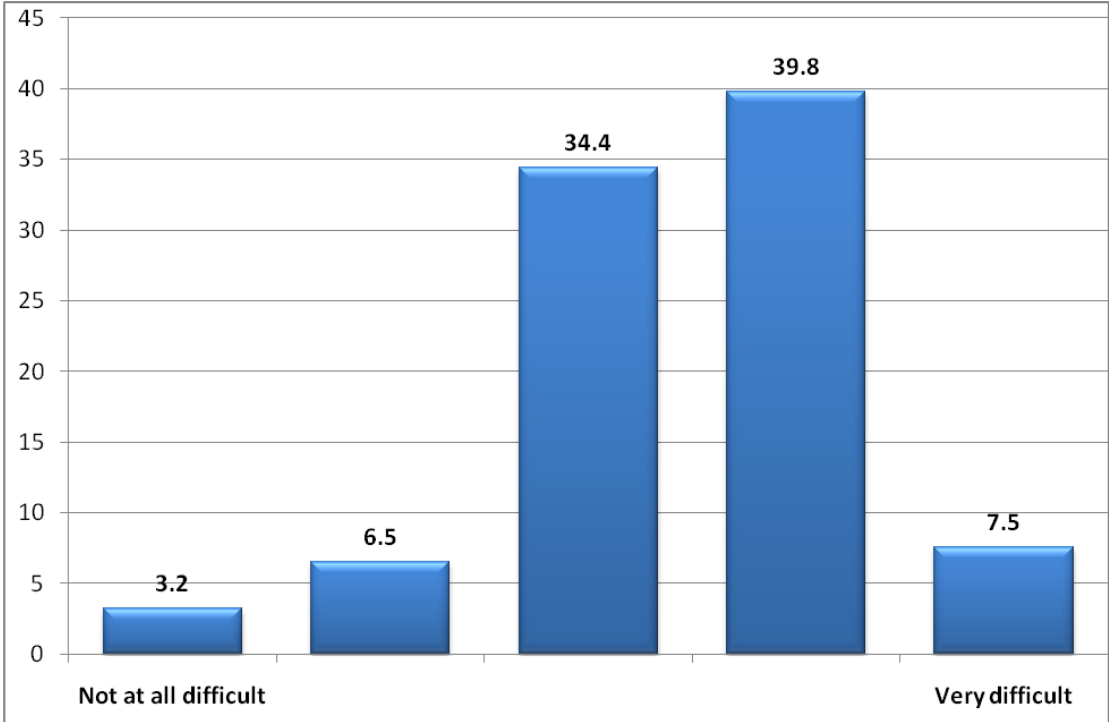
5. <u>Conclusion</u>

Organizations are under increasing pressure to demonstrate accountability and commitment to society through social and environmental activities. The emergence of corporate social responsibility - broadly referred to as the responsibilities that a business has beyond profit maximization - has been in response to this growing pressure. Nevertheless, CSR is difficult to define, although it is commonly associated with the relationships between an organization and various stakeholders - recent academic research has highlighted the links between CSR and stakeholder theory and management. In this research project, CSR has been defined as: *organizational behaviour that aims to affect stakeholders positively and that goes beyond the organization's economic interest*.

The link between CSR and stakeholder theory demonstrates that CSR is an issue that impacts upon all types of organization. However, the development of CSR within both an academic and policy context has traditionally concentrated around large multinational firms although recent debate has accepted that CSR may differ significantly between organizations of different size. A growing body of research has therefore emerged focusing on CSR within SMEs.[101] Within this debate it has been argued that sector context is particularly important in better understanding CSR in SMEs.[102]

This report has presented the findings of survey research undertaken within

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[101] E.g. Jenkins (2004; 2006); Murillo and Lozano (2006); Spence (2009)
[102] Spence (2007)

the European football industry – a particular sector in which the dominant organizational type is an SME. Whilst the issue of CSR within the professional sport industry is gaining increasing currency, there remains a lack of research focused on a broader sector level analysis that provides an overview of how sport organizations think about, implement and measure CSR. This research project responded to this need by surveying all top division football clubs in Europe and the 53 national federations that are members of UEFA. It is the first comprehensive, comparative survey in the football industry, drawing on the most up-to-date academic research, and it looks at four key managerial issues associated with CSR: implementation; communication; stakeholder engagement; and measurement.[103] This project represents a highly significant step towards greater understanding of what national federations and football clubs are doing in relation to CSR.

In total 43 national federations responded to the survey - a response rate of 81 per cent. The results revealed that the large majority of national federations are involved a number of initiatives that involve community stakeholders such as local communities, youth and schools. It was also found that a higher percentage of national federations are involved in these types of initiative than environmental initiatives. However with increasing pressure on all organizations to minimize the impact they have on the environment and to operate sustainably, it could be expected that more national federations will become involved in environmental initiatives going forward.

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[103] Lindgreen and Swaen (2010)

The survey results also show that a minority of national federations have a formal CSR strategy and receive funding to deliver CSR initiatives. Indeed resource constraints, securing funding and time constraints are the three most significant issues that constrain the ability of national federations in relation to CSR. It was also found that a small majority of national federations monitor CSR but only a minority evaluate the impact. Given that CSR relates to many different organizational activities it is understandable that measuring CSR is a complex and challenging issue for national federations.

A total of 112 football clubs from 44 different countries across Europe responded to the club survey representing a response rate of 15 per cent. The results showed that a large majority of these clubs are involved in a variety of initiatives for the community and employees. However it was also interesting to find that a majority of clubs reported that making connections with the community was a significant challenge, demonstrating that clubs are not automatically embedded within their communities. The majority of football clubs in the survey indicated that they have a code of conduct in relation to supporters. Furthermore supporters were deemed the most important stakeholder group. As was the case with the national federations, community and employee initiatives were more popular than environmental initiatives.

The survey also showed that resource constraints and securing funding were two of the most significant challenges faced by clubs. With only a minority of football clubs receiving funding assistance through government funds and from other sources of funding, it will be interesting to see whether the

pressure to meet the break-even requirement of the UEFA licence will result in football clubs continung to invest in community activities or whether they will reduce their financial commitment in order to cover expenses that are included in the break-even calculation. It was also found that a small majority of football clubs monitor their CSR activities and evaluate the impact. Measuring and quantifying the benefits of CSR is therefore a significant challenge for football clubs as well as national federations.

The football club responses were also analyzed by turnover to see whether there are differences between large and small clubs. The results have shown that there are a number of significant differences between large clubs and small clubs in relation to the types of CSR activity that were implemented. However it has also been found that the factors that determine which CSR activities football clubs are involved in and the challenges that clubs face when implementing CSR are not associated with organizational size – issues such as resource constraints, securing funding and embedding within a local community affect all clubs regardless of their size.

The results from this project provide the first step in better understanding the extent to which CSR is being addressed within the football industry in Europe. It also represents a highly significant step in furthering understanding of CSR more broadly within the SME sector and in organizations in general. Building on from this research, further studies are required to understand in more detail the processes and mechanisms that contribute towards the

implementation, communication, stakeholder engagement and measurement of CSR within European football.

6. <u>References</u>

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Appendices

Appendix 1 - The football club questionnaire (English version)

General Background

1. What is the name of your football club?

2. What is your name?

3. What is your position within the football club?

4. What is your email address?

5. How many full-time paid employees work at your football club?

6. How many part-time paid employees work at your football club?

7. What is the approximate turnover of your football club (in Euros)?
   - Under 200,000
   - 200,001 – 500,000
   - 500,001 – 1m
   - 1m – 2m
   - 2m – 5m
   - 5m – 10m
   - 10m – 50m
   - Over 50m

8. In the last financial year, did your football club:
   - Make a profit
   - Make a loss
   - Operate at break-even
   - Don't know

9. Please tell us which of the following ownership structures best describes your football club:
   - The football club is listed on the stock market
   - One person owns the majority of the football club
   - The football club is owned by a family
   - The ownership of the football club is divided among a large number of shareholders
   - The football club is owned by supporters
   - The football club is owned by a corporation

Social Responsibilities

This section asks you to consider the extent to which your football club is involved in corporate social responsibility activities.

10. Please indicate which of the following activities your football club is a) currently involved in, and b) has previously been involved in.

(Currently involved; Previously involved; Yes; No; Don't know)

- Waste minimisation
- Recycle schemes
- Use energy from renewable sources
- Pollution prevention
- Membership of environmental organizations
- Environmental certification (e.g. ISO 9001/14001)
- Investment in environmental technology
- Environmental reporting
- Family friendly employment
- Employee newsletters
- Social events for staff
- Training and development programmes for employees
- Employment of older and disabled people
- One to one mentoring of employees
- Seeking to develop long-term partnerships with supporters and suppliers
- Support and encouragement for suppliers to become more socially responsible
- A code of conduct in relation to supporters
- The publication of an annual social report
- An ethics committee (a committee with responsibility for implementation and monitoring of a code of conduct or ethical matters in general)
- Member of board with specific responsibility for ethical issues
- Work with local schools on projects
- Donate percentage of profits to charity
- Supporting local homeless people
- Involvement of award schemes for young people
- Provide time for employees to work in the community
- Employ people from the local community
- Work on community projects in developing countries
- Work experience placements
- Community engagement projects
- Support for local youth programs
- Financial donations to local schools
- Financial donations to local community projects

11. Does your football club have a formal corporate social responsibility strategy? (Yes; No, Don't know)

12. Does your football club have a budget dedicated to corporate social responsibility activities? (Yes; No, Don't know)

13. Does your football club have an individual dedicated to working on corporate social responsibility activities? (Yes; No, Don't know)

14. Does your football club receive funding from government to deliver corporate social responsibility activities? (Yes; No, Don't know)

15. Does your football club receive funding from other sources to deliver corporate social responsibility activities? (Yes; No, Don't know)

If yes, which sources?

16. Is your football club associated with a separate charitable organization that delivers corporate social responsibility on behalf of your football club? (e.g. a charitable trust) (Yes; No, Don't know)

17. Please indicate, on a scale of 1 - 5, how strongly you agree with the following statements.

(1 Strongly disagree – 5 Strongly agree)

- Our football club supports employees who want to gain additional education
- Our football club policies encourage employees to develop their skills and careers
- Our football club implements flexible policies to provide a good balance between work and life for its employees
- The management of our football club is primarily concerned with the needs and wants of employees
- The managerial decisions related to employees are usually fair
- Our football club provides full and accurate information about its products to its customers
- Our football club respects the rights of consumers beyond the legal requirements
- Customer satisfaction is highly important for our football club
- Our football club emphasizes the importance of its social responsibilities to society
- Our football club contributes to campaigns and projects that promote the well-being of society
- Our football club tries to create employment opportunities
- Our football club always pays its taxes on a regular and continuing basis
- Our football club complies with legal regulations completely and promptly
- Our football club cooperates with its competitors in social responsibility projects
- Our football club always avoids unfair competition
- Our football club implements special programs to minimize its negative impact on the natural environment
- Our football club participates in activities which aim to protect and improve the quality of the natural environment

- Our football club targets sustainable growth which considers future generations
- Our football club makes investment to create a better life for future generations
- Our football club encourages its employees to participate in voluntarily activities
- Our football club supports nongovernmental organizations

18. Please indicate, on a scale of 1 – 5, how important the following issues are when deciding which corporate social responsibility activities your football club gets involved in.

(1 Not at all important – 5 Very important)

- Matching a social need to corporate skill, need or ability to help
- The seriousness of a social need
- The interest of top executives in your football club
- The interest of the individual owner of your football club
- The public relations value of a particular social action
- Government pressure
- The pressure of general public opinion
- Pressure from special interest groups
- The amount of corporate effort required
- The measurability of results, or some form of cost/benefit analysis of social effort
- The profitability of the venture

19. Please indicate, on a scale of 1 – 5, how significant the following challenges are when your football club tries to implement corporate social responsibility.

(1 Not at all significant – 5 Very significant)

- Time constraints
- Resource constraints
- Securing funding
- Getting employees involved
- Embedding a culture of corporate social responsibility in the company
- Measuring and quantifying the benefits of corporate social responsibility
- Making connections with the community
- A lack of information or support
- Maintaining the momentum of activities

20. Please indicate, on a scale of 1 - 7, how strongly you agree with the following statement as it applies to the stakeholder groups/organizations listed below.

THIS GROUP/ORGANIZATION RECEIVES HIGH PRIORITY FROM OUR FOOTBALL CLUB

(1 Strongly disagree – 7 Strongly agree)

- Competitors (other football clubs and other sport clubs)
- Suppliers
- Government
- UEFA
- FIFA
- National federations
- Local government organizations
- The European Commission
- Shareholders
- Commercial sponsors
- The media
- Environment
- Supporters (customers)
- Employees
- The local community

21. Please indicate, on a scale of 1 – 5, the extent to which your football club acknowledges and monitors the concerns of all legitimate stakeholder groups/organizations and takes their interests into account when making decisions (1 To no extent – 5 To a great extent; Don't know).

22. Do you monitor your corporate social responsibility activities? (Yes; No; Don't know)

23. Please indicate, on a scale of 1 – 5, how difficult you think it is to measure the benefits of corporate social responsibility activities:

(1 Not at all difficult – 5 very difficult; Don't know)

24. Do you evaluate the impact of your corporate social responsibility activities? (Yes; No; Don't know)

If yes, how do you do an evaluation?

Appendix 2 – the national federation questionnaire (English version)

General Background

1. What is the name of your national federation?

2. What is your name?

3. What is your position within the national federation?

4. What is your email address?

5. How many full-time paid employees work at your national federation?

6. What is the approximate turnover of your national federation (in Euros)?
   - Under 200,000
   - 200,001 – 500,000
   - 500,001 – 1m
   - 1m – 2m
   - 2m – 5m
   - 5m – 10m
   - 10m – 50m
   - Over 50m

7. In the last financial year, did your national federation:
   - Make a profit
   - Make a loss
   - Operate at break-even
   - Don't know

Social Responsibilities

This section asks you to consider the extent to which your national federation is involved in corporate social responsibility activities.

8. Please indicate which of the following activities your national federation is a) currently involved in, and b) has previously been involved in.

(Currently involved; Previously involved; Yes; No; Don't know)

   - Waste minimisation
   - Recycle schemes
   - Use energy from renewable sources
   - Pollution prevention
   - Membership of environmental organizations
   - Environmental certification (e.g. ISO 9001/14001)
   - Investment in environmental technology
   - Environmental reporting
   - Family friendly employment

- Employee newsletters
- Social events for staff
- Training and development programmes for employees
- Employment of older and disabled people
- One to one mentoring of employees
- Seeking to develop long-term partnerships with supporters and suppliers
- Support and encouragement for suppliers to become more socially responsible
- A code of conduct in relation to supporters
- The publication of an annual social report
- An ethics committee (a committee with responsibility for implementation and monitoring of a code of conduct or ethical matters in general)
- Member of board with specific responsibility for ethical issues
- Work with local schools on projects
- Donate percentage of profits to charity
- Supporting local homeless people
- Involvement of award schemes for young people
- Provide time for employees to work in the community
- Employ people from the local community
- Work on community projects in developing countries
- Work experience placements
- Community engagement projects
- Support for local youth programs
- Financial donations to local schools
- Financial donations to local community projects

9. Does your national federation have a formal corporate social responsibility strategy? (Yes; No, Don't know)

10. Does your national federation have a budget dedicated to corporate social responsibility activities? (Yes; No, Don't know)

11. Does your national federation have an individual dedicated to working on corporate social responsibility activities? (Yes; No, Don't know)

12. Does your national federation receive funding from government to deliver corporate social responsibility activities? (Yes; No, Don't know)

13. Does your national federation receive funding from other sources to deliver corporate social responsibility activities? (Yes; No, Don't know)

   If yes, which sources?

14. Is your national federation associated with a separate charitable organization that delivers corporate social responsibility on behalf of your national federation (for example a charitable trust or foundation)?

15. Please indicate, on a scale of 1 - 5, how strongly you agree with the following statements.

(1 Strongly disagree – 5 Strongly agree)

- Our national federation supports employees who want to gain additional education
- Our national federation policies encourage employees to develop their skills and careers
- Our national federation implements flexible policies to provide a good balance between work and life for its employees
- The management of our national federation is primarily concerned with the needs and wants of employees
- The managerial decisions related to employees are usually fair
- Our national federation provides full and accurate information about its products to its customers
- Our national federation respects the rights of consumers beyond the legal requirements
- Customer satisfaction is highly important for our national federation
- Our national federation emphasizes the importance of its social responsibilities to society
- Our national federation contributes to campaigns and projects that promote the well-being of society
- Our national federation tries to create employment opportunities
- Our national federation always pays its taxes on a regular and continuing basis
- Our national federation complies with legal regulations completely and promptly
- Our national federation cooperates with its competitors in social responsibility projects
- Our national federation always avoids unfair competition
- Our national federation implements special programs to minimize its negative impact on the natural environment
- Our national federation participates in activities which aim to protect and improve the quality of the natural environment
- Our national federation targets sustainable growth which considers future generations
- Our national federation makes investment to create a better life for future generations
- Our national federation encourages its employees to participate in voluntarily activities
- Our national federation supports nongovernmental organizations

16. Please indicate, on a scale of 1 – 5, how important the following issues are when deciding which corporate social responsibility activities your national federation gets involved in.

(1 Not at all important – 5 Very important)

- Matching a social need to corporate skill, need or ability to help
- The seriousness of a social need
- The interest of top executives in your national federation
- The public relations value of a particular social action
- Government pressure
- The pressure of general public opinion
- Pressure from special interest groups
- The amount of corporate effort required
- The measurability of results, or some form of cost/benefit analysis of social effort
- The profitability of the venture

17. Please indicate, on a scale of 1 – 5, how significant the following challenges are when your national federation tries to implement corporate social responsibility.

(1 Not at all significant – 5 Very significant)

- Time constraints
- Resource constraints
- Securing funding
- Getting employees involved
- Embedding a culture of corporate social responsibility in the national federation
- Measuring and quantifying the benefits of corporate social responsibility
- Making connections with the community
- A lack of information or support
- Maintaining the momentum of activities

18. Please indicate, on a scale of 1 - 7, how strongly you agree with the following statement as it applies to the stakeholder groups/organisations listed below.

THIS GROUP/ORGANISATION RECEIVES HIGH PRIORITY FROM OUR NATIONAL FEDERATION

(1 Strongly disagree – 7 Strongly agree)

- Competitors
- Suppliers
- Government
- UEFA
- FIFA

- Other National federations
- Local government organizations
- The European Commission
- Shareholders
- Commercial sponsors
- The media
- Environment
- Supporters (customers)
- Employees
- The local community

19. Please indicate, on a scale of 1 – 5, the extent to which your national federation acknowledges and monitors the concerns of all legitimate stakeholder groups/organisations and takes their interests into account when making decisions.

(1 To no extent – 5 To a great extent; Don't know)

20. Do you monitor your corporate social responsibility activities? (Yes; No; Don't know)

21. Please indicate, on a scale of 1 – 5, how difficult you think it is to measure the benefits of corporate social responsibility activities:

(1 Not at all difficult – 5 very difficult; Don't know)

22. Do you evaluate the impact of your corporate social responsibility activities? (Yes; No; Don't know)

If yes, how do you do an evaluation?

Appendix 3

UEFA CLUB LICENCE 2010 (Annex 1, C,h, page 77-78)

Expenditure on community development activities

Appropriate adjustment may be made such that community development expenses are excluded from the calculation of the break-even result.
Expenditure on community development activities means expenditure that is directly attributable (i.e. would have been avoided if the club did not undertake community development activities) to activities for the public benefit to promote participation in sport and advance social development.

Community development activities include, but are not limited to:

i)   The advancement of education;
ii)   The advancement of health;
iii)   The advancement of social inclusion and equality;
iv)   The prevention or relief of poverty;
v)   The advancement of human rights, conflict resolution or the promotion
            of religious or racial harmony or equality and diversity;
vi) The advancement of amateur sport;
vii) The advancement of environmental protection or improvement; or
viii) The relief of those in need by reason of youth, age, ill health, disability, financial hardship or other disadvantage.

Directly attributable expenses include, but are not limited to:

ix) Costs of materials and services used or consumed in undertaking the community development activities;
x) Costs of employee benefits for employees wholly involved in community development activities;
xi) Donations to other entities for which the purpose is promote participation in sport and/or advance social development