The case of French professional sports clubs

Abstract

The purpose of this paper is to examine the CSR practices and their implementation in the context of French professional sports clubs. In doing so, it analyses the link between the governance of sports clubs and CSR, which is viewed as a component of governance expanded to stakeholders and contributing to the creation of shared value. Drawing on interview data with key stakeholders of four professional sport clubs (football and basketball) and secondary material, the study sheds light on the determinants, the implementation as well as the impact of CSR on the governance of the professional clubs under examination.

Key Words: CSR, Governance, Professional sports clubs, Regulation, French teams
Introduction

Sport has become fertile ground for exploring managerial concepts and one such concept, corporate social responsibility (CSR), has been the subject of much research in sports management over the last few years (Breitbarth et al., 2015). CSR is now being applied in a wide range of organizations, including sports clubs (Bayle et al., 2011), which some authors consider natural vehicles for deploying CSR (Bason & Anagnostopoulos, 2015; Smith & Westerbeek, 2007). Professional sports clubs constitute an interesting organizational context as they share many organizational characteristics with small and medium-sized enterprises (SMEs). Thus, the study of SCR in this particular context provides an opportunity for gaining insights from the sporting landscape in France that has largely remained unexplored (Spence, 2007). Moreover, given that professional sports clubs balance between social and business logics, they tend to practice CSR mainly for two reasons. First, numerous ethical lapses and failures by sports clubs have led to questions about their legitimacy and increased stakeholder expectations in terms of social commitment, one of the main reasons for implementing CSR policies (Aguinis & Glavas, 2012). Second, the recent emergence of new institutional logics in France’s professional sports clubs has led to institutional pluralism (Senaux, 2011), thereby strengthening the tensions between clubs’ economic and social objectives. Possibly, this may well be one of the reasons why these organizations have struggled to implement good management practices.

The present paper examines CSR practices and their implementation in French professional sports clubs. It also analyzes the link between the governance of sports clubs and CSR, which is viewed as a component of governance expanded to stakeholders and contributing to the creation of shared value (Bhimani & Soonawalla, 2005; Porter & Kramer, 2011). We evaluated how the need to take into account CSR changes the way clubs are steered by creating an analysis framework partly based on the ISO 26000 standard (ISO, 2010), which considers governance to be a central dimension in facilitating organizations’ adaptation to change and in associating stakeholders with more society-oriented strategies. We applied our framework to an empirical investigation of four professional sports clubs (two basketball clubs and two football clubs), collecting both primary data (30 in-depth interviews with club managers and key external stakeholders) and secondary data (internal documents, foundation reports, official news on club websites, etc.) for each club. After presenting our preliminary results, we outline, from a normative perspective, possible avenues for examining the capacity of CSR to change clubs’ traditional governance models and thereby contribute to developing a new vision of sports club performance.
Literature Review

CSR in professional sport

Recent years have seen a rise in the number of publications on CSR and sustainability in sport, including entire books (Paramio-Salcines, Babiak & Walters, 2013; Rodriguez, Ké senne & Dietl, 2009). Nevertheless, CSR in sport, especially professional sport, is not a new phenomenon. In fact, it can be traced back to the early days of sport (Bradish & Cronin, 2009; Godfrey, 2009) and can therefore be analyzed from a historical perspective. A review of the literature on CSR in professional sports clubs shows that the vast majority of studies have focused on organizations in North America (e.g., Babiak & Wolfe, 2009) and the United Kingdom (e.g., Anagnostopoulos, Byers & Shilbury, 2014). In contrast, relatively little research has been carried out in Europe, with particularly few studies of CSR in French professional sports clubs.

Major advances in the USA and UK...

Although the first contributions from American and British CSR researchers appeared only recently, research in these two countries quickly gathered momentum and the literature on CSR in sports organizations is now extensive. One reason for this intense research interest is the importance businesses in these countries accord to the culture of CSR (Matten & Moon, 2008), which appears to have facilitated the transfer of CSR practices from the corporate sector to professional sport.

In this respect, the history of CSR within North American and British professional sport is particularly enlightening. The first socially oriented initiatives by North American professional sports leagues and clubs occurred during the 1950s, were basically philanthropic (Sheth & Babiak, 2010), and were largely motivated by the Protestant values underlying Anglo-American culture. Partnering with an “official charity” remains a common way for North American sports leagues to demonstrate their commitment to CSR, with leagues encouraging professional sports organizations to enter into partnerships with non-profit charities or to create their own foundations (Babiak, 2010). Recently, considerable advances have been seen in the environmental field, one of the pillars of CSR, which up until now had received little interest from researchers (Babiak & Trendafilova, 2011). Most research in the UK has focused on the football industry, producing notable contributions on the concept of CSR (Anagnostopoulos & Shilbury, 2013; Walters, 2009; Walters & Tacon, 2010) and on corporate citizenship (Walters & Chadwick,
All of these authors highlighted the central role football clubs have historically played in their communities, leading to them being seen as “patterns of collective symbols, identifications and processes of connectivity associated with the notion of community” (Brown et al., 2008). In addition to their civic roles, clubs have been required to integrate CSR into their organizational models in order to meet the diverse expectations of their different stakeholders (Walters & Chadwick, 2009; Walters & Tacon, 2010). Despite the difficulties involved in deploying CSR (Anagnostopoulos & Shilbury, 2013), realization of its value has led to the creation of specific management tools, such as the community-sport trust model (Anagnostopoulos, 2013), which has many similarities with the North American foundation approach, with an explicit commitment to delivering a range of community-oriented initiatives (Walters, 2009).

...but still an emerging issue in Europe and poorly studied in France

In Europe, the issue of CSR and professional sports clubs is only now coming to the fore. Research has focused mostly on football, with initial work comparing the situation in different European countries (Breitbarth & Harris, 2008; Breitbarth, Hovemann & Walzel, 2011) being followed by studies within countries such as Germany (Reiche, 2014), The Netherlands (Van Eekeren, 2013) and Greece (Athanasopoulou et al., 2011).

Research into CSR in French professional sport is still at an early stage (Bayle et al., 2011; François, 2012). The few articles published to date have stressed the embryonic state of CSR and revealed the differences between France and the USA/UK in terms of the determinants of CSR and the way CSR is implemented. Sports clubs in France have been much slower than those in the UK to embrace professionalism, and this seems to have hindered the implementation of management practices. One reason for this may be the strong amateur framework around which French sports clubs were built (Senaux, 2011). In fact, French law used to stipulate that sports clubs must be non-profit members’ associations run by volunteers and unpaid directors, and it was not until 1975 that professional sports clubs were allowed to enter partnerships with the local authority in the form of “public-private local sporting companies” (Société d’Economie Mixte Sportive Locale - SEMSL) attached to the historic non-profit association. The reluctance of sports clubs to adopt this model led to the introduction of two new legal statuses. In 1984, clubs were allowed to form “sports-based limited companies” (Société Anonyme à Objet Sportif - SAOS), as long as the historic non-profit association retained ownership of at least 50% of the company. This was followed in 1999 by a law giving sports clubs the right to form “normal” limited companies (Société Anonyme Sportive Professionnelle - SASP),
allowing those clubs with large revenues and substantial payrolls to convert a non-profit, association-based model into a private, market-based model.

These legislative changes were followed in the 2000s by measures requiring sports clubs to carry out civic actions (“missions d’intérêt général”) in return for the subsidies they received from local authorities. Since then, clubs have used sport to develop youth education, integration and insertion actions (in schools and amateur sports clubs) and to help the disadvantaged. Such initiatives are no longer the preserve of local authorities, as recent years have seen growing involvement by commercial partners. Many of France’s 200 professional sports clubs (i.e., clubs allowed to pay their players) have introduced social elements to their partnerships either through bilateral sponsorship agreements with a commercial partner or through tripartite agreements between clubs, local authorities and commercial sponsors. Although fiscal incentives encourage French professional sports clubs to outsource the costs of CSR policies by creating endowment funds or foundations, by the end of the 2000s only a few football clubs had set up such funds (Bayle et al., 2011). However, future legislation could accelerate this process.

Research design and methodology

Over the last few years, a number of scholars (e.g., Anagnostopoulos & Shilbury, 2013; Walker & Parent, 2013) have heeded the suggestion that studies should integrate different theoretical perspectives for the better understanding of CSR (Maon, Lindgreen & Swaen, 2009). In this vein, we devised an analysis framework that would enable us to evaluate the consequences of embracing CSR on the governance models used by professional sports clubs. Our framework was drawn up in the light of a large body of CSR research conducted from an integrative perspective, most notably the work of Maon et al. (2009), who defined a particularly useful framework for investigating the concept of CSR. Following the precepts of grounded theory, these authors combined a review of the CSR literature with the results of several case studies in order to produce an analysis framework that brings together the conception of CSR by the managers of the companies studied and the way in which CSR is integrated into their management practices while involving stakeholders in the integration process. By borrowing part of the methodology used to construct their analysis framework we were able to draw up a framework whose architecture combines three stages and a succession of eight dimensions that measure the antecedents of CSR practices and their consequences on the behavior of organizations in terms of governance (figure A). By attempting to identify the determinants of CSR and the way in which they are implemented, this analysis framework establishes links between the causes and
effects of introducing CSR, that is, two of the major dimensions highlighted by the CSR literature (Aguinis & Glavas, 2012). Our main contribution compared with previous analysis frameworks is the addition of a third stage designed to measure the effects of integrating CSR on the governance of sports clubs.

![Overall research design](image)

The following section describes the three stages listed above, together with the dimensions included in our framework for analyzing CSR in professional sports clubs. We also outline the theoretical links between these dimensions.

**Determinants of CSR**

CSR is, by its very nature, voluntary, which has led to the development of a large number of standards and labels that provide non-binding affirmation of an organization’s good conduct. In France, legislation now requires organizations to report their CSR actions, but there is no obligation to implement new actions and this legislation only applies to large companies. The lack of obligation for SMEs to introduce CSR initiatives, coupled with the uncertain benefit these initiatives
bring to companies, has sharpened the interest of the entire research community. In fact, the few studies to have investigated the consequences of implementing CSR policies in the field of professional sport have concluded that there is a negative relationship between the level of a club’s commitment to CSR and the capacity for it to be successful (Sheth & Babiak, 2010). This makes it even more important to address the question of the factors that motivate sports clubs to act in socially responsible ways. As a result, a number of researchers have examined the specific characteristics of the determinants of CSR in professional sport (Babiak & Wolfe, 2009; Babiak & Trendafilova, 2011). Based on an analysis framework combining neo-institutional and strategic approaches, Babiak and Wolfe (2009) used interviews with administrators of North-American professional leagues to show that the determinants of CSR are the result of the interweaving of these two approaches, and highlighted the importance of external (pressure from external stakeholders) and internal determinants (available resources). Building on this work, we consider the determinants of CSR by professional sports clubs to be the products of external institutional pressures and internal strategic forces. The former are viewed through the lens of sociological neo-institutional theory, which conceives organizations as embedded in society (Scott, 1995) and sees CSR as a way for organizations to increase their legitimacy (Suchman, 1995). The latter fall into a proactive approach aimed at using strategic CSR to develop an organization’s potential for creating value (Porter & Kramer, 2011).

**Implementation of CSR**

In order to understand how organizations and their administrators turn words into actions, it is necessary to analyze the modalities of CSR implementation. The dimensions of the implementation stage are drawn from the PDCA method, a CSR implementation approach recommended by ISO 26000. Each phase of the PDCA method has been translated into managerial terms (objectives-means-actions-evaluation). The means phase has been subdivided in order to differentiate between the stakeholders associated with the CSR action implementation process, the organizational resources made available for carrying out these actions, and the management tools required to bring together all the stakeholders and the associated resources. Stakeholder theory (Freeman, 1984), which is the dominant corpus in the field of CSR, would appear to be essential. In fact, one of the specificities of professional sports clubs arises from the need to interact within a large network of stakeholders (Babiak & Wolfe, 2009). Moreover, most papers on CSR and sport recommend involving all these different stakeholders in the management of professional sports clubs (Anagnostopoulos, 2011; Breitbarth & Harris, 2008;
Walters & Chadwick, 2009). Some even go as far as evoking specific features of the sports business (sporting passion, economic model based on substantial public finance, etc.) that require a specific form of management for stakeholders, whose considerations are increasingly focused on CSR (Babiak & Wolfe, 2009; Smith & Westerbeek, 2007). The resources dimension was drawn from the “resource-based view”, which has been successfully applied to the concept of CSR in recent years (McWilliams & Siegel, 2011). This is linked to the way in which stakeholders appropriate the resources produced by an organization, as a function of the power they have over it. According to this approach, the development of CSR practices depends most notably on the resources available to an organization and the way in which these resources are used. The final dimension, management tools, lies at the intersection between instrumental theories and managerial practices. Viewed from this perspective, CSR can be seen as a stakeholder management tool (Fooks et al., 2013). Thus, the numerous interactions between stakeholders and resources allocated to CSR have led the administrators of professional sports clubs to instrumentalize and rationalize their practices through internal documents (values statements, ethical charters, etc.) or structures for steering the club’s philanthropy policy.

**The links between CSR and CG**

Very little research has examined the relationship between CSR and corporate governance (CG) (Byers, Anagnostopoulos & Brooke-Holmes, 2015). However, Jamali et al. (2008) demonstrated the overlap between the CG and CSR agendas, and the need for systematic diligence on both fronts. This gap in recent research means it is necessary to go far back into the management literature to clarify the concept of governance (Berle & Means, 1932). Adopting the normative framework of ISO 26000, we define governance as “the system by which an organization takes and applies decisions in order to meet its objectives”. This definition is particularly interesting when applied to CSR, as it establishes a link between the evaluation of CSR initiatives and the need to consider performance in terms of partnerships, as well as in terms of actions (Bhimani & Soonawalla, 2005). CSR has the potential to shift a club’s short-term focus on sports results to broader and longer-term community commitments. This vision is based on the assumption that CSR can direct clubs’ social activities towards achieving positive effects in local communities and providing clear benefits to stakeholders (and developing shared value). Borrowing from Henry and Lee (2004), we distinguished three levels of governance for sports organizations with three implications for CSR. Systemic governance concerns situations of interdependence and ways of regulating inter-
organizational relationships and coordinating actions within a complex system. CSR can be seen as a new form of cooperation between a club and its stakeholders (sponsors, but also fans and members of the local community) that signals a commitment to a more favorable long-term impact on the community. Political governance concerns the relationships clubs maintain with local (city), national (state), and European (EU) politicians in terms of reciprocal influences through regulatory, financial and/or ethical mechanisms. Organizational governance covers the exercise of power in organizations. It includes decision-making mechanisms and the execution of policies (structures, processes and monitoring) to improve performance and achieve goals. Stages one and two in our framework can be used to appraise new values, strategies, practices and conceptions of performance, and ways of measuring performance that may be adopted by clubs. Finally, this last dimension is recursive in that changes in governance are influenced by social and economic determinants, and are the result of taking into account CSR, which, in turn, influences the causes of sports clubs’ social engagement.

**Data collection and analysis**

We applied our analysis framework to two sports, basketball and football, each represented by two clubs: Elan Chalon and ASVEL for basketball, AJ Auxerre (AJA) and Olympique Lyonnais (OL) for football. We chose these four clubs because of their geographical proximity to the study’s base and, more importantly, because of the diversity of the ways in which they are organized, especially in terms of their governance. We began by conducting in-depth interviews with 30 internal club managers and with key external stakeholders (the main financers and beneficiaries of the CSR actions undertaken) (Table A). All the interviews took place between October 2009 and March 2011 and were conducted following an interview template containing all seven dimensions. Each interview was recorded according to an interview guide built around the eight dimensions of our analysis framework and transcribed in its entirety so it could be subjected to interpretive content analysis (Miles & Huberman, 1994). We interviewed internal staff from each of the four clubs together with elected officials from the clubs’ home cities. The remaining interviewees were sponsors/major shareholders linked to each club’s social actions, the heads of associations and NGOs being helped by the club, and some of the people involved in implementing the clubs’ CSR actions. We then collected secondary data obtained from websites, press releases and internal documents. This allowed us to triangulate the sources of our data in order to ensure the veracity of the information provided in the initial interviews. All the data collected were coded according to the relevant dimensions in the analysis framework.
Table A: Sources of interviews

<table>
<thead>
<tr>
<th>Elan Chalon (Chalon-sur-Saône)</th>
<th>Interview period</th>
<th>Internal staff</th>
<th>External stakeholders</th>
</tr>
</thead>
</table>
|                                | October 2009 - June 2010 | - General manager  
- Professional team coach  
- President of the original sporting association | - Assistant sports director, Chalon-sur-Saône Council  
- Vice president of the Greater Chalon Council in charge of sports  
- Vice president of Burgundy Regional Council in charge of sports  
- Neighbourhood tournament coordinator  
- Director of subsidized housing agency, tournament partner  
- General manager of a bus company, club sponsor and participant in making citizenship films  
- English teacher |

| ASVEL (Villeurbanne) | July 2010 - September 2010 | - Administrative director  
- Head of the “Esprit Sport” association | - Sports director, Villeurbanne City Council  
- Project leader, Rhône-Alpes Regional Council  
- President of “Docteur Clown” (sponsored association) |

| AJA (Auxerre) | October 2009 - March 2011 | - Sales and communication director  
- President of the supporters’ association  
- President of the original sporting association | - Assistant sports director, Auxerre City Council  
- Vice President of Burgundy Regional Council in charge of sports  
- Chargé de mission at the “Fondation du Football” |

| OL (Lyon) | July 2010 - September 2010 | - Chief administrative officer of the OL Foundation | - Assistant sports director, Lyon City Council  
- Chargé du mission at Rhône-Alpes Regional Council  
- DHR of CEGID (founding enterprise of OL Foundation)  
- CEO of Providis (founding enterprise of OL Foundation)  
- Director of “Sport dans la Ville” (sponsored association)  
- Secretary of “ASUP Brésil” (sponsored association)  
- President of “Docteur Clown” (sponsored association)  
- Project leader at the “Fondation du Football” |
Contextualization

We begin by describing the characteristics of the four clubs studied in order to put our analysis of the empirical data into context. We then present our findings on the determinants of CSR, its implementation and its relation to models of governance.

Our analysis of CSR practices was based on data obtained between 2009 and 2011; however, we have updated the clubs’ main organizational and economic characteristics to the start of the 2012-2013 season (Table B). With the exception of AJA, whose first team was relegated to the second division between these two periods, leading to a reduction in operating revenues (from €40 million in 2010 to just under €12 million in 2013), all the clubs remained at the highest level of their sport. Nevertheless, the four clubs had very different profiles. In terms of governance, the statuses of the commercial companies responsible for running professional clubs (except for the original sporting associations) range from private-public companies co-owned by the local authority, as for Elan Chalon (SEMSL), or by the sporting association, as for AJA (SAOS), to “standard” companies, as for ASVEL and OL (SASP). In fact, since 1999, OL has been part of a holding company (OL Group) that has share capital in nine subsidiaries. Economically, the basketball clubs resemble small businesses, each employing around 30 staff, whereas the football clubs are more akin to medium-sized enterprises (OL employs more than 260 people).

The four clubs studied here have long had close relationships with their local communities, especially the city councils, and have a tradition of carrying out civic actions. Nevertheless, it was not until the middle of the 2000s that the clubs began formalizing these actions within specific programs that were themselves part of specific bodies (e.g., civic association, endowment fund, foundation). For example, Elan Chalon combined its social and civic actions into a program called “Elan pour tous”, aimed at using their player’s celebrity for the benefit of the community. In 2007, ASVEL created a civic association called “Esprit Sport” in order to carry out a variety of community programs focusing on health, social cohesion and social responsibility. AJA has joined the “Famille AJA” program, set up in the middle of the 2000s by the president of one of AJA’s supporters’ clubs. In 2011, “Famille AJA” became a civic association with the aim of promoting good citizenship among young fans. In 2007, OL, with support from five of its sponsors, became one of the first professional clubs in France to create a corporate foundation to carry out work in the fields of social insertion through sport, education, assistance to the sick and to people in hospital, and the development of amateur sport. An endowment fund, called sOLidaire, was added to the foundation in 2009 so the clubs’ supporters could help finance social actions.
**Table B: Case study background (data from 2013)**

<table>
<thead>
<tr>
<th>Clubs</th>
<th>Year of creation (*)</th>
<th>Main sporting results</th>
<th>Legal status</th>
<th>Operating revenues (**)</th>
<th>CSR investments</th>
</tr>
</thead>
</table>
| Elan Chalon | 1955 (1994)          | - 1st division (Pro A) since 1996  
- French champion in 2013  
- Qualified once for the Euroleague                                                | SEMSL        | 5.7                     | “Elan pour Tous” (programme - 2007) |
| ASVEL    | 1948 (2001)          | - 1st division (Pro A) since 1948  
- French champion 17 times  
- Qualified 7 times for the Euroleague                                               | SASP         | 5.1                     | “Esprit sport” (civic association - 2007 but cleared in 2012) |
| AJA      | 1905 (2000)          | - 2nd division (L2) since 2012 after more than 30 years in 1st division  
- French champion in 1996  
- Qualified 3 times for the Champion’s League                                          | SAOS         | 11.6                    | “Famille AJA” (civic association - 2011) |
| OL       | 1950 (2002)          | - 1st division (L1) since 1989  
- French champion 7 times (2002-2008)  
- Qualified 14 times for the Champion’s League                                              | SASP + Holding | 101.4              | OL Foundation (2007) and sOLidaire (endowment fund - 2009) |

(*) The year of creation is the year the original sporting association was created. The date in brackets is for the creation of the current commercial company.

(**) Figures are in millions of euros. The two football clubs’ budgets do not include transfer fees for players.

**Results**

We present our results in the light of our analysis framework, which enabled us to identify the reasons why clubs decided to go down the CSR road (stage 1),
determine how CSR is implemented (stage 2), and analyze the ways in which CSR shapes a club’s governance (stage 3).

Stage 1: The determinants of CSR

Our results show that the main determinants of CSR are related to institutional considerations. This is in line with the neo-institutional perspective (Campbell, 2007) and with prior studies of sports organizations (Babiak & Wolfe, 2009). Although determinants differed from club to club and according to the actions carried out, the influence of local authorities and isomorphic behavior within the sport industry appeared to be particularly important.

Influence of local authorities: Both Elan Chalon and ASVEL rely on local authority subsidies for a large proportion of their budgets (about 30% of direct funding). As a result, CSR activities are a way of legitimizing the input of public money, provided in the form of community grants related to public service missions. Elan Chalon, whose board of directors includes representatives from the city council, receives just over 1 million euros a year in public funding (30% of the club’s budget). In return, the club organizes educational actions and initiatives to promote integration and thereby help build cohesion in the community. Villeurbanne City Council bought shares in ASVEL, creating an SEMSL, in order to save the club from relegation. Although the club was “privatized” in the 2000s and is now run on a more business-like basis, the council’s influence is still palpable. ASVEL has an agreement with the council under which the club carries out numerous community actions and reports regularly to council officials. ASVEL’s outreach efforts in the fields of health and social cohesion have enabled the council majority to ensure the club remains a major element in Villeurbanne’s social fabric, despite recent lobbying by opposition parties to relocate the club to the neighbouring city of Lyon.

Local authority influence can also be seen in the case of OL, through both the financial aid provided by Lyon City Council and the strong political support OL receives from the council, most notably with respect to the building of the club’s new “Stadium of Light”. Although the stadium itself is being financed privately (450 million euros), Lyon City Council considered the project to be of “public interest” and therefore provided 200 million euros of local-taxpayer money to improve stadium access. This support prompted OL in the early 2000s to join a group of non-profit associations that is very active in Lyon (“Sport dans la Ville”, “Docteur Clown”, “Handicap International”, etc.).

Isomorphic behaviour. Major sports clubs’ uncertainties about CSR have been an incentive for them to copy the best, prompting an isomorphism of practices that is homogenizing the field. OL has emulated a number of initiatives from...
other major European clubs’ managerial models. For example, in 2007, the club founded the OL Foundation, just a year after Manchester United had set up its own foundation. OL’s president, Jean-Michel Aulas, had rubbed shoulders with some of Manchester United’s directors during his tenure as president of the G14 group of Europe’s biggest football clubs. Other widely adopted practices include organizing neighborhood tournaments and setting up citizenship initiatives for young supporters. Both Elan Chalon and ASVEL run neighborhood tournaments, with ASVEL starting to do so in the 2000s when it signed a major community-action partnership agreement with Adecco. When AJA began supporting the “Famille AJA” citizenship program it was following in the footsteps of other clubs such as Lille, which set up its “Doggies” citizenship club in 2000. In addition, emerging CSR models appear to have been strongly influenced by foreign models. ASVEL was the first French basketball club to create an association, called Esprit Sport, in order to build citizen partnerships modeled on the foundations all North American basketball franchises run.

The results of the first stage show the importance of institutional factors in motivating clubs to head down the CSR route. Thus, the implementation of CSR policies by professional sports clubs is mostly the result of external pressure in a context that gives clubs incentives to carry out actions within their communities.

**Stage 2: Implementation of CSR**

An analysis of the club’s goals for their CSR programs confirms this initial result and highlights the importance of organizational legitimacy, which is a central concept in the neo-institutional literature (Campbell, 2007; Suchman, 1995). Numerous management tools are available for carrying out CSR actions; however, they appeared only recently and have not affected the way in which CSR actions are implemented or the fact that CSR actions remain marginal to the clubs’ strategic management.

**Goals.** Most frequently, CSR actions are a way of justifying the support clubs receive from public bodies, in the form of either financial subsidies (public funding accounts for a large percentage of Elan Chalon’s and ASVEL’s budgets) or political support (Lyon City Council’s support for the construction of OL’s new stadium, due to open in 2016). In all the clubs we studied, CSR actions are also intended to counterbalance the ethical problems (corruption, doping, etc.) affecting professional sport in general. Hence, a major goal of CSR policies is to increase the clubs’ organizational legitimacy, defined as “a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions” (Suchman, 1995).
Means (resources – stakeholders – management tools): As well as being one of the determinants of CSR, local authorities are key stakeholders supporting CSR implementation. Except for OL, which, through its foundation, allows NGOs and charities to use the OL brand, and, to a lesser extent, Elan Chalon, which carries out shared-revenue actions to help charitable bodies (Playing for Change), the number of stakeholders is hard to determine. Moreover, many stakeholders are associated with specific, short-term actions requiring no long-term commitment. Partnerships are not co-constructed with stakeholders and the club’s role is often limited to “stage managing” sponsored associations and, in the best cases, contributing (modest) sums of money. For example, although AJA proclaims its commitment to social actions, its support for “Famille AJA” amounts to no more than providing a room and an employee for a few hours per week in order to facilitate an activity that is mostly run by the club’s supporters. Out of the four clubs we studied, OL allocates the most money to social actions, with the OL Group contributing 1 million euros to the OL Foundation (60% of its budget) over the period 2007-2012. However, this sum represents just 0.1% of the Group’s operating revenues during this period, estimated to be almost 1.1 billion euros (source: OL Group financial report). Non-profit associations (Famille AJA, Esprit Sport), endowment funds (sOLidaire) and foundations (OL Foundation) are used as management tools that allow the clubs to communicate a social commitment message to external stakeholders. These bodies are receptacles for donations and allow the clubs to rationalize the support they give to the non-profit sector. However, they are often marginal entities with respect to the clubs.

Actions. Most of the clubs’ CSR practices are shaped around philanthropic initiatives and focus on the social dimension of sustainable development while neglecting its economic and environmental dimensions. These actions are mostly in line with the values enshrined by the institutional discourse in sport, that is, they are aimed at young people, social cohesion and health, etc. Most programs include these types of initiatives because they address the issues sport is “supposed” to promote. This is best illustrated by ASVEL, whose Esprit Sport program focuses on health, social cohesion and responsible citizenship. However, a small number of actions in the environmental field show that clubs are starting to think about their environmental impact. They include Elan Chalon highlighting its commitment to sustainable development through promotional clips, AJA reminding young fans to respect the environment, and OL evaluating occasionally its carbon footprint during the 2009-2010 football season.

Evaluation. Evaluation of the impact of CSR actions tends to be limited to the amount of coverage they are given in the media. For example, ASVEL and Elan Chalon catalogue newspaper articles about their actions, mostly to show stakeholder sponsors pressing for CSR actions (local authorities). Clubs with greater media exposure describe their actions on their websites and those with
sponsorship tools have begun to publish reports. Every year since 2008, OL Group has published an OL Foundation activity report that provides information on its actions and financial position. It also publishes information on social and environmental issues, as required by the 2001 New Economic Regulations Act (NRE), which requires listed companies to show how they are addressing the social and environmental consequences of their activities.

**Stage 3: Impacts of CSR on governance**

The link between CSR and governance shows the three levels of impact proposed by Henry and Lee (2004). In terms of organizational governance, as in the case of OL, adopting stronger social strategies enhances a club’s reputation and the indirect interests of its shareholders. In 2012, OL increased the size of its board from 14 to 16 members in order to appoint, for the first time, two female directors. One of these new directors is now officially responsible for steering the group’s CSR policy. This situation shows progress in governance in this area beyond OL’s obligation as a listed company to provide a social and environmental analysis of its activities. However, OL is the only one of the four clubs studied to have modified its governance structure, its formal strategy and its evaluation methods, as has been done by other major European football clubs and large companies. This is mostly due to the effects of size and of professionalization on the CSR function, which is still barely taken into account in the governance of the other clubs. The changes introduced by these clubs have mostly concerned their communication and reporting to local authorities in relation to the subsidies they receive. On the level of political governance, local councils have been key stakeholders in pushing clubs to achieve their CSR goals, notably in terms of sports-based social programs. Clubs now need to go further in developing the economic and environmental dimensions of CSR. In 2011, France’s professional football league introduced a new tool to provide a barometer of professional football’s economic, social and environmental impacts. This tool helps legitimize both the subsidies (direct and indirect) they receive from local authorities and their actions in the eyes of all their stakeholders. Nevertheless, this tool is used only by football, and not by other, less well-off professional team sports. With respect to systemic governance, the recent emergence of civic sponsoring has led to a new way of marketing the values of sport. Moreover, the emerging trend for professional clubs to set up entities such as foundations as means for implementing social policies has led to new linking structures with stakeholders (charities, supporters, sponsors/fundraisers, local authorities, players).
Moving forward?

Going beyond this governance-by-level approach, CSR provides insights into the issue of stakeholder governance, thereby improving understanding of the value creation process for professional clubs. With respect to cognitive governance, it is essential to examine the competences of the individuals (notably, the president) who interpret and give meaning to the situations in which they find themselves. The alignment decisions, discourses and behaviors with respect to new standards for values or for certification (ISO 26000, etc.) implies a reconfiguration towards more responsible modes of governance. This means clubs’ administrators and managers must try and integrate social and environmental intentions into their traditional sporting and economic objectives. According to Charreaux and Desbrières (2006), the cognitive and positive approaches to governance should be given a leading role in order to identify and develop the competences and knowledge administrators and managers need in order to stimulate and orientate a company’s creative process.

Thus a system of governance ensures the alignment of the capacity to combine resources to create sustainable value (Hart & Moore, 1990), but this alignment can be threatened by cognitive conflicts between administrators and managers. Such conflicts may arise when selecting investment opportunities, most notably for reasons of equity and ethics, when, for example, making profits can lead to environmental or genetic risks (March, 1991). In the case of professional sport, chasing sporting results at any cost and focusing the largest investments on players’ salaries can lead to cognitive conflict due to the different institutional objectives pursued by clubs (economic vs. social goals) (Anagnostopoulos et al., 2014). Consequently, CSR has the potential to bring together and reconcile these sometimes-antagonistic objectives by providing a new approach to a club’s overall performance. Using a range of global performance indicators would allow a club to measure its ability to manage its responsibilities towards its stakeholders and to meet its societal obligations and responsibilities in a way that satisfies the needs of civil society. A possible theoretical extension of our research would be to examine CSR from the angle of institutional conflicts, thereby following recent neo-institutional studies (Brammer, Jackson & Matten, 2012). Administrators are aware of the importance of their organizations’ social responsibilities and are faced with the problem of having to choose between options in order to implement actions that are consistent with conceptions of the role played by their club. In order to provide a more global assessment of their organization’s performance, the clubs’ administrators should introduce evaluation of CSR initiatives, currently almost inexistent in all the clubs except OL, which has been obliged to publish a social and environmental report since the company was floated on the stock exchange.
in 2007. Paradoxically, clubs with non-profit status (AJA Auxerre) or with mostly public-associative shareholders (Elan Chalon), which would be expected to give greater importance to the club’s societal role, seem to be lagging behind large clubs run as businesses or companies (OL and ASVEL). Once again, this absence of evaluation in clubs that should be paying attention to their social responsibilities shows the need to study the integration of CSR and its effects on the ways in which clubs are steered through the prism of institutional conflicts (Brammer et al., 2012).

Conclusion

Our results show that the primary factors pushing French professional sports clubs to adopt CSR practices are institutional pressures, most notably from local authorities, and strong mimetic pressures within the professional sports sector (e.g., civic-sponsoring initiatives to combat the image of sport as big business, the effects of negative publicity arising from doping, corruption, and the conception that sport is just about money, etc.). Nevertheless, the perpetual quest for legitimacy that appears to drive professional sports clubs can contribute to a more proactive vision uniting a club’s stakeholders (sponsors, public authorities, employees, fans, etc.) around social goals as well as around sporting objectives. Hence, our research raises questions about the role of clubs’ administrators in developing alternatives to economic models based uniquely on sporting and financial performance. Perhaps it is time to consider CSR as a new approach for regulating professional sports and its ethical blowbacks (corruption, match fixing) and for ensuring fairer competition within Europe (especially in football with respect to financial fair-play). However, the efficacy of this approach will depend on the governing bodies of professional sports (national, continental and international federations, professional leagues) using their powers to ensure the content of CSR practices is genuine.

References


Freeman, R.E. (1984), Strategic management: a stakeholder approach, Pitman, Boston.


Address for correspondence:

FRANÇOIS Aurélien
Associate Member (PhD) of the Research Centre for sport in Canadian Society, University of Ottawa, Canada.
School of Human Kinetics
125 University Avenue
Ottawa ON K1N 6N5
Telephone: 1-819-592-4891
francoisaurel@yahoo.fr