Social Accountability and Responsibility in Sport: An Examination of the National Collegiate Athletic Association

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As the business of sport continues to grow there is a need to remain concerned with Corporate Social Responsibility (CSR) in sport. In the United States, collegiate sport is a complex, and thriving enterprise. At the forefront of the business of college sports are the National Collegiate Athletic Association (NCAA) and its member colleges and universities. CSR has been reviewed extensively in the realm of professional sports, but scholarship related to CSR and its application in collegiate sports is lacking. For the plethora of good that the NCAA has done over the years, it is also an entity filled with paradoxes. Stakeholder theory serves as the foundation for discussing CSR. The purpose of this essay is to discuss the concept of CSR and its relationship to college sports in the United States. This article examines the organizational structure of the NCAA, its functionality, and the trappings of its fiscal operations. In addition, an analysis of the role CSR plays in the shaping of social responsibility and accountability in collegiate sport is presented.

Keywords: National Collegiate Athletic Association, Corporate Social Responsibility, Stakeholder Theory

Introduction

Collegiate sports are deeply engrained into the culture of the United States. In the College sports are extremely popular on both regional and national scales, in many cases competing with professional championships for prime broadcast and print coverage. The average university will play at least 20 different competitive sports. In total, during the 2008-09 academic year, nearly 430,000 student-athletes competed in the NCAA (Zgonc, 2010). The budgets of many National Collegiate Athletic Association (NCAA), Division I athletic departments, soar well beyond $100 million annually and some coaches are
earning more than $3 million annually (USA Today, 2010). College sports have grown from friendly competitions between rivals to big business.

Table 1. Revenue/Expense Trends Football Bowl Subdivision (Median value in millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Generated Revenue</th>
<th>Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>$22.9</td>
<td>$28.991</td>
</tr>
<tr>
<td>2005</td>
<td>$24.3</td>
<td>$31.1</td>
</tr>
<tr>
<td>2006</td>
<td>$26.4</td>
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<td>2007</td>
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<td>2008</td>
<td>$30.5</td>
<td>$41.4</td>
</tr>
<tr>
<td>2009</td>
<td>$32.3</td>
<td>$45.9</td>
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</table>


With the rising interest in collegiate athletics, there is a need to further investigate the constructs of social responsibility and social accountability, especially considering the controversy surrounding the concept of amateurism in college sports. College sports usually have to balance between amateurism, education and commercialism. Amateurism is essential to collegiate athletics and rests on two pillars – the athletes are unpaid and they also are not professionals in training. The NCAA has maintained the amateurism philosophy despite the large numbers of revenue reported by some sports. For instance, revenues in the range of $558.2 million were reported for the 2005–2006 academic year (Fitt, 2009). The questions to ask then are: Where do we draw the line between amateurism and professionalism? Where does amateurism end and professionalism start? What are some of the social responsibilities of collegiate athletics?

Emanating from conceptual models within the business literature, the notion of strategic management, corporate responsibility, and stakeholder management have become critical links to past and current business models (Katsoulakos & Katsoulakos, 2007). Corporate social responsibility (CSR) is an increasingly pervasive phenomenon on the European and North American economic and political landscape (Doh & Guay, 2006). CSR has been addressed from multiple angles (Babiak & Wolfe, 2006). Friedman (1962, 2002) offered the view that the main goal of corporations is profit and meeting the needs of shareholders. Others contend that organizations have to be more socially conscious to the impact of social contributions to general society in conjunction
with profits (Lewis, 2003). The role of leadership, students, athletes and athletic administrators has been limited and research in this area is void of contributions within the field of sport management. This role of leadership in conjunction with the constructs of ethics and moral decision making are crucial elements in addressing the quagmire of sport in our society.

The purpose of this essay is to discuss the concept of CSR and its relationship to collegiate sports. Additionally, this article examines the history and structure of the NCAA within the framework of CSR, focusing on some of the major paradoxes. This article is important because it contributes to the growing corpus of literature relating to CSR and collegiate sports. This paper is also significant because it furthers the dialogue about key topics such as escalating athletic department budgets; rising salaries among coaches; and the burgeoning business of intercollegiate athletics.

**The Genesis of Corporate Social Responsibility**

There is a vast amount of literature on CSR. Research has mainly focused on the determinants of corporate social responsibility and has examined the effects of various aspects of corporate financial performance (Brown & Perry, 1994). Galaskiewicz (1991) indicated that corporations tend to act in socially responsible ways if normative or cultural institutions are in place, thus creating the proper incentives to act responsibly. In other words, when business entities are involved with organizations that are supporting and placing a high value on corporate giving, then those businesses (under peer pressure) would more likely act in a socially responsible way. For example, business associations like the Chamber of Commerce, as well as local associations, have been influential in encouraging social responsibility in business of various sorts (Galaskiewicz, 1991, p. 305).

The concept of CSR can be traced back to the 1930’s and over the years has been discussed in the field of business as well as law, economics, and politics (McKie, 1974). However, Bowen’s (1953) book Social Responsibilities of the Businessman is considered as the academic foundation for this field of work. Bowen, often referred as the “father” of corporate social responsibility, emphasized that CSR is based on the understanding that businesses exist at the pleasure of society and they must operate within guidelines established by society. Furthermore, businesses are compelled to act as “moral agents” within the framework of society (Bowen, 1953).

Further studies on CSR continued in the 1960’s with the work of Davis (1960), centered on what is now known as the “Iron Law of Responsibility.”
Davis pointed out that if corporations are unable to self-regulate their actions, then the law should step in. The 1970’s are characterized by the work of Preston and Post (1975), who analyzed two key issues: 1) the scope of the businessperson’s social obligations, and 2) the criteria for assessing whether a businessperson was behaving responsibly. In the 1980’s CSR made a shift, with the contribution of Jones (1980), who viewed CSR as a process and not a static concept. This expanded the understanding of CSR and led to the development of Carroll’s (1991) hierarchical model of CSR, in which philanthropy is viewed as the highest level of social responsibility.

There are several definitions as well as a number of models that attempt to depict the concept of CSR and the processes involved in the adoption of CSR practices among corporations. In its most general form CSR implies that a corporation identifies with its stakeholder groups and incorporates their needs within the day-to-day decision making process. More specifically CSR is based on the belief that “social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time” (Carroll, 1979, p.275). Considering the evolution CSR has experienced, the model developed by Niskala and Tarna (2003) is perhaps the one that describes CSR most accurately, offering a multidimensional model for viewing CSR through three different lenses: economic, environmental and social. In other words, while conducting business, companies need to pay attention to economic, environmental and social issues in a balanced and symbiotic way. As broad and complex as CRS discussions have been, arguments can be summarized in to two major categories – ethical and economic. Proponents of the ethical view (based on intrinsic reasons) argue that businesses should have the obligation to make life better (Handy, 2002; Trevino & Nelson, 1999), while proponents of the economic view (based on monetary reasons) believe that economic self-interest guides the corporation’s decision making (Friedman, 1962, 2002; Lantos, 2001, 2003).

Although the history of CSR indicates that the focus has been on traditional business corporations, CSR practices have penetrated the realm of sport as well. In fact, sport has emerged as a new platform for the adoption of sustainable development (Coady, Snider, Duffy & Legg, 2007, p. 11). Major league professional sport in North America is an industry in which CSR is playing an increasingly important role, and has begun to turn its attention to issues regarding the impact professional sport teams and leagues have on the natural environment (Babiak & Wolfe, 2006; Babiak & Trendafilova, 2010; Sheth & Babiak, 2010). Although sport teams have been involved in their local communities for decades, we know little about the relevance, importance, and impact of socially
responsible practices to the organizations themselves, to the individuals they intend to benefit, and to the league governing bodies (Babiak & Trendafilova, 2010, p.36).

A legitimate question to ask then is “Where is CSR heading in the future?” In an attempt to answer this question, Hopkins (2006) presents an overview of some of the future trends of CSR, focusing on the tendency of CSR to be embedded into the organization’s culture. In other words, CSR practices would be the norm and so embedded into the traditional business practices, that it would be difficult to explicitly separate and identify them. Hopkins also points out that corporations would not be able to ignore global concerns simply because they see failure as bad for business (Hopkins, 2006, p. 303) Therefore, growing social expectations, increasing affluence, and globalization play a role in determining the future of CSR. With rapid globalization penetrating each aspect of business, companies also have to consider global concerns and continue to establish relationships with the developing countries. In addition to that, corporate focus on the environment and sustainable practices has been of an increased interest to organizations, reflecting not only a change in societal values but also expectations from a variety of stakeholders. Satisfying stakeholders’ interests would ultimately lead to satisfying shareholders’ interest, which in turn impacts the financial performance of the company.

Another important question to consider is not whether CSR is relevant in today’s business world but rather whether CSR efforts would offer any benefits to the company’s bottom line? Financial concerns could be one of the determining factors in the management decisions to adopt and implement CSR initiatives. Although companies may endure some initial cost with the adoption of CSR practices, the lack of response to social issues of concern could ultimately lead to higher costs (Azapagic, 2003). Therefore, corporations are more likely to adopt social responsible practices in their strategic planning. Choosing the appropriate form of CSR would be another factor for corporate leaders to consider and may present some challenges – a company has limited resources (financial and human capital) to allocate for the successful operations of the business. The aim should be to adopt the approach that would allow for generating the most sustainable mutual benefit for both, the company and society. Therefore, each company needs to develop its own CSR package and tailor its implementation strategy based on the company’s capacity, needs and position in the marketplace (Panwar, Rinne, Hansen & Juslin, 2006). Supporters of CSR efforts believe that that CSR can provide companies a competitive edge if utilized properly (Lewis, 2003; Porter, 2003).
One cannot discuss corporate social responsibility without incorporating into the discussion the notion of stakeholder theory. Stakeholder theory defines why corporations attend to the interests of stakeholders along with their immediate corporate interests (Freeman, 1994). Corporate social responsibility is about the relationship between the corporation and its stakeholders, and about delivering a positive impact on society. Although CSR may seem broad in scope, it is shaped by the organization’s goals and values as well as by the needs and interests of key stakeholders.

**Corporate Stakeholder Theory**

Stakeholder theory suggests that CSR should require organizations to consider the interests of all stakeholders including investors, suppliers, consumers, employees, the community and the environment in discharging their profit-directed activities. Implicit in this perspective is the assumption that both sport and corporate influence on social trends must be considered from multiple angles. Such a viewpoint encourages an examination of the overlaps between the social responsibilities of the sport and corporate worlds. Sport plays an important role as a vehicle for deploying CSR. It exposes the social responsibilities implicit in sport as well as those found in the corporate world. An opportunity lies at the intersection of these mutual responsibilities in the combination of the financial leverage available to corporations and the distributive/symbolic power inherent in sport. Sport creates a mechanism for traversing social and economic gaps, an opportunity to improve the quality of life, and catalyzes large and profitable businesses to share a little of their prosperity.

The focus of stakeholder theory is articulated in two core questions (Freeman, 1994). First, it asks, what is the purpose of the corporation? This encourages managers to espouse the collective sense of the value they create, and what brings its primary stakeholders together. This jettisons the corporation forward and enables it to generate outstanding performance, determined by its purpose and financial success in the marketplace. Second, stakeholder theory inquires, what responsibility does management have to stakeholders? This mandates managers to consider how they do business—specifically, what kinds of relationships they desire and need to create with their stakeholders to manifest their purpose (Freeman, Wicks, & Parmar, 2004, p. 364).

Many corporations have created and managed their businesses in terms highly consistent with stakeholder theory. Corporations such as Google, Kimberly-Clark, Philip Morris, Walgreens, Kroger, and several companies featured in Jim Collins’ best seller *Good to Great: Why Some Companies Make the Leap … and Others Don’t* (2001) provide compelling examples of how managers understand
the core insights of stakeholder theory and use them to create outstanding businesses. These corporations value their shareholders, stakeholders and profitability, but none of them make capacity to generate profits the foundational driver of what they do. Furthermore, these organizations see the import of values and relationships with stakeholders as a critical part of their ongoing success. They have found compelling answers to the two core questions posed by stakeholder theory, which underscore the moral presuppositions of managing—they are about purpose and human relationships. Stakeholder theory begins with the assumption that values are necessarily and explicitly a part of doing business, and rejects the separation thesis (Freeman, 1994). The separation thesis begins with the assumption that ethics and economics apportioned cleanly. In this context, the challenge of doing business ethics or improving the moral performance of business becomes a gargantuan task because business ethics is, by definition, an oxymoron (Freeman, Wicks & Parmar, 2004, p. 264).

The Stakeholder Concept

In practical terms stakeholder is any group or individual who can influence or is affected by the achievement of the corporation’s objectives (Freeman, 1994). Stakeholders of corporations include stockholders, creditors, employees, customers, suppliers, public interest groups, and governmental bodies. Ansoff (1965) coined the term “stakeholder theory” in defining the objectives of the corporation. A major objective of the corporation is to attain the ability to balance the conflicting demands of various stakeholders in the corporation. Freeman (1994) categorized the development of the stakeholder concept into a corporate planning and business policy model and a corporate social responsibility model of stakeholder management. The corporate planning and business policy model of the stakeholder concept focuses on developing and evaluating the approval of corporate strategic decisions by groups whose support is required for the corporation to continue to exist. The behavior of various stakeholder groups is considered a constraint on the strategy that is developed by management to best match corporate resources with its environment. In this model stakeholders are identified as customers, owners, suppliers and public groups and are not adversarial in nature.

The CSR model of stakeholder theory extends the corporate planning model to include external influences on the corporation that may assume adversarial positions. The adversarial groups are characterized as regulatory or special interest groups concerned with social issues. The CSR model allows a strategic planning model to adapt to changes in the social demands of nontraditional power groups.
Donaldson and Preston (1995), in analyzing stakeholder theory, developed four central theses that include the following:

Thesis 1: The stakeholder theory is unarguably descriptive. It presents a model describing what the corporation is. It describes the corporation as a constellation of cooperative and competitive interests possessing intrinsic value.

Thesis 2: The stakeholder theory is also instrumental. The principal focus of interest here has been the proposition that corporations practicing stakeholder management will, other things being equal, be relatively successful in conventional performance terms (profitability, stability, growth, etc.).

Thesis 3: The stakeholder theory is normative. Although Theses 1 and 2 are significant aspects of the stakeholder theory, its fundamental basis is normative and involves acceptance of the following ideas: (a) Stakeholders are persons or groups with legitimate interests in procedural and/or substantive aspects of corporate activity. Stakeholders are identified by their interests in the corporation, whether the corporation has any corresponding functional interest in them. (b) The interests of all stakeholders are of intrinsic value. That is, each group of stakeholders merits consideration for its own sake and not merely because of its ability to further the interests of some other group, such as the shareowners.

Thesis 4: The stakeholder theory is managerial in the broad sense of that term. It does not simply describe existing situations or predict cause-effect relationships; it also recommends attitudes, structures, and practices that, taken together, constitute stakeholder management. Stakeholder management requires, as its key attribute, simultaneous attention to the legitimate interests of all appropriate stakeholders, both in the establishment of organizational structures and general policies and in case-by-case decision making. This requirement holds for anyone managing or affecting corporate policies, including not only professional managers, but shareowners, the government, and others (pp. 66-69).

Deontological Claims of Corporate Responsibility

In this decade of the 21st century some would argue that corporate social responsibility begins with organizations having a “moral compass.” This moral compass enables the organization to care for its stakeholders in meaningful ways. Gibson (2000) argued that businesses should properly look after stake-
holders even if it is not profitable. Furthermore, Carroll (1993) argued that “to appreciate the concept of stakeholders, it helps to understand the idea of a “stake.” A stake is an interest or share in an undertaking ... A stake is also a claim. A claim is an assertion to a title or a right to something” (p. 57). Thus, stakeholder approaches not only have a descriptive element about the nature of the corporation and its relations to others, but often they involve an implicit or explicit moral claim to the effect that the corporation has duties to others, even in the absence of potential benefit. Yet the moral basis for these rights or obligations is often asserted rather than argued for. Where the claim is made, it is usually on a deontological basis. The term deontology emanates from the Greek word meaning “duty.” It is an idea that focuses on the moral motives rather than any particular outcome (Broad, 1930).

Despite the merit of the deontological approach to stakeholder theory, Gibson (2000) pointed out the inherent difficulties with the position. He suggested that there are three key elements in the claims: (1) Businesses have positive duties to stakeholders based on stakeholder interests; (2) Stakeholder groups are distinct from individuals; and, (3) Duties are owed to stakeholders equally.

In regards to the positive duties owed to stakeholders it is relatively easy to posit that stakeholders are worthy of respect by virtue of their humanity. Still, there needs to be a definitive link between the notion that they have an interest in the well-being of the corporation and the demand that they have a say in shaping its future. Compelling arguments can be made advocating that businesses should accommodate basic rights, like those to safe goods, a clean environment, and investing substantive ways in the places they are located. Of course this position has limitations, namely those that are embedded in the financial and legal ethos of the corporation.

A second element in stakeholder analysis is that groups are the locus of moral activity; for example, consumers, employees, and communities. A deontological analysis will apply to individuals, and individuals make up groups. If we abandon the overlay of stakeholder theory, the analysis of corporate responsibility ironically becomes more straightforward: the individuals who make the key decisions in the firm have to consider their duties to the individuals who might be affected. Deontology is dependent on the interaction of moral agents who are intrinsically valuable because of their autonomy. Furthermore, individual moral agents act for better or worse with other individuals (Gibson, 2000). Representatives of the corporation must effectively converge with moral representatives of groups so that neither assumes the role of “hostage.”
Finally, in question is the matter of whether corporations can genuinely treat all groups equitably. As a practical matter people and groups are treated differently. Often differential treatment is plausible under ethical conditions. Deontology assumes the moral equality of individuals. Consequentially, there is no moral justification for partiality. The pragmatic truth remains that corporations may be selective in the manner in which they behave responsibly toward some groups that they perceive to be moral and legitimate. In assessing this phenomenon, Gibson (2000) argued that “a stakeholder theory based on moral agency rather than groups in general could also show us why some stakeholders merit greater consideration than others, even if such favors have no immediate pay off in some instrumental way” (p. 255). An appropriate example of this concept in sport is the NCAA and its relationship with colleges, universities and players as stakeholders.

The following section will expand on the history and structure of the NCAA and its role in the business of amateur sport. The paradox of professionalism versus amateurism and its relationship to corporate accountability and social responsibility will be addressed.

The History and Structure of the NCAA

Historically, the NCAA has always been involved with sport as a business. There are many variables associated with the business of college sports and the NCAA. Arguably, the NCAA has been defined as a cartel with economic discrepancies and moral dilemmas.

The NCAA has evolved since its creation in the mid 1900’s. One of the first interschool athletic events was a regatta between Harvard and Yale. Corporations consisting of banks and railroad companies became entrenched in the competition by infusing corporate support. Students were paid cash and provided extra benefits for competing. Gambling was also a common practice. This event created a need for an organization that would regulate the rules between the competing teams. The idea of colleges competing against each other became very popular and soon college athletics began to be much more involved in the commercialization aspects of sport business.

In the time span from 1840 to 1910, the control of college athletics went from unsupervised student control to faculty oversight. Eventually, faculty control was directed into the formation of conferences and the final governing process consists of the establishment of a national governing body (NCAA) that is comprised of college Presidents and Athletic Directors. From 1910 to 1970, athletics slowly became an integral part of higher education in the United States.
An outside interest began to form in collegiate sports, and attendance figures began to rise substantially due to the commercialization and media exposure. During this time, the NCAA made some attempts to change rules in the best interest of increasing integrity in the governance of college athletics. One important event worth noting occurred during this time. In the 1950's, the NCAA negotiated its first media contract which was valued in excess of one million dollars. This began to create more and more financially viable television contracts. Also in the 1950's and 1960's, the NCAA's enforcement capacity increased every year with the addition of compliance officers and NCAA enforcement officials.

In the 1970's, the NCAA began to come under scrutiny for alleged unfairness in the exercise of its enhanced enforcement authority. The NCAA decided to form a committee to study the enforcement process and eventually chose to divide its power into prosecutorial and investigative roles. Later on, the U.S. House of Representatives Subcommittee on Oversight and Investigation accused the NCAA of having unfair enforcement processes. The NCAA adjusted its rules again to address the criticisms. University and college presidents were also becoming more directly concerned with the operation of the NCAA at this time.

In the 1980's the NCAA was accused of violating anti-trust laws which allowed schools to directly bring in revenues from televising their games. The main event that changed the NCAA during this time period was the introduction of Title IX, which called for gender equity in college athletics. With Title IX, new opportunities were created for women in college athletics. Revenue-generating men's sports had to help fund the new women's athletic programs. During the 1980's and 1990's the commercialization of college sports increased. An illustration of this point lies in the rising revenues generated from television (Sawyer, 2005).

Currently, the NCAA faces several major challenges including its structure, escalating coach’s salaries, the facility “arms race” and the compensation of amateur athletes. The billions of dollars in revenue generated from collegiate sports creates a paradox between amateur athletics and professional athletics. The increased commercialization and public pressure will cause the NCAA to adopt and change the rules and regulatory systems. For example, the Knight Commission, an independent watchdog of intercollegiate athletics, has put out perennial reports that offer recommendations to the NCAA. In 2010 the commission suggested key initiatives that would curb the unprecedented levels of spending on head coaches, coordinators and stadia. The Knight Commission noted that in 2008, the median athletics spending per athlete at several BCS institutions ranged from four to nearly 11 times more than the median spending on education-
related activities per student (2010, p. 5). To this end, the commission projects that this spending race is unsustainable as many institutions’ athletic budgets will surpass $25 billion in less than 10 years (Knight Commission, 2010a).

Overall, the NCAA has evolved from a small organizational body to one of the largest governance groups in the nation. Millions of dollars are generated within athletic departments via tickets, merchandise sales, media rights, sponsorships, donors and naming rights. Additionally, television companies are locked into bidding wars for the right to own the rights to televise the biggest and best games in college sports. The NCAA has the difficult task of adjusting itself to the continually growing industry that is collegiate athletics and the mega-million dollar enterprise.

The Paradox of the NCAA Business Machine

Despite the contemporary claims of the NCAA that it is a champion of amateur athletics and physical fitness in colleges and universities, the NCAA is in fact a business cartel comprised of university-firms that have varying desires to restrict competition and maximize profits in the area of intercollegiate athletics (Koch, 1973; Rosenthal, 2003). The aims and activities of the university-firms in the NCAA are diverse, and therein lies the most important cause of both the long-term and the contemporary problems which have confronted the NCAA. As Koch (1973) defines a cartel is “an organization of firms which makes agreements concerning such matters as prices, outputs, market areas, the use and construction of productive capacity, and advertising expenditures” (p. 137). Moreover, Koch (1973) argued that the NCAA displayed many of the vital hallmarks of a cartel including the following functional tasks:

(a) sets the maximum price that can be paid for intercollegiate athletes; (b) regulates the quantity of athletes that can be purchased in a given time period; (c) regulates the duration and intensity of usage of those athletes; (d) occasionally fixes the price at which sports outputs can be sold (for example, the setting of ticket prices at NCAA championship events which are held on the campuses of cartel members); (e) periodically informs cartel members about transactions, costs, market conditions, and sales techniques; (f) occasionally pools and distributes portions of the cartel’s profits, particularly those which result from intercollegiate football and basketball; and (g) polices the behavior of the members of the cartel and levies penalties against those members who are deemed to be in violation of cartel rules and regulations (p.138).

Overall, the NCAA has allowed its sports to enter the commercial marketplace. The focus of the NCAA is no longer on education and amateurism, as
the NCAA professes, but is rather on making the most money out of the product that the original focus on amateurism created. The NCAA currently has very few rules in its bylaws to limit commercial influences on its member institutions (Steiber, 1991). This has resulted in an uncertainty as to whether the NCAA can maintain a focus on education and amateurism while, at the same time, fulfilling the obligations of commercial sponsors. This comment argues that, in order to maintain its goals of amateurism and education, the NCAA needs to curb the commercial influences placed within its fields of athletic competition and restrict its own commercial activity by placing limits on itself (Rosenthal, 2003).

One major indicator that the NCAA and its member institutions have evolved into a “business machine” is compensation of collegiate football and basketball coaches. Arguably, the total compensation packages of the top coaches parallels those of corporate executives. In the NCAA, the salaries and overall compensation packages of the ten highest paid football and basketball coaches exceed the median salaries and bonuses of corporate executives. For example, in 2009, Pete Carroll of the University of Southern California $4,486,652, Bob Stoops of the University of Oklahoma, $4,303,000, and Urban Meyer of the University of Florida, earned $4,000,000, respectively. Table 2 provides a distribution of the salaries of the ten highest paid collegiate football coaches.

Table 2. Top Ten Highest Paid College Football Coaches 2009

<table>
<thead>
<tr>
<th>Coach</th>
<th>University</th>
<th>Total Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pete Carroll</td>
<td>USC</td>
<td>$4,486,652</td>
</tr>
<tr>
<td>Bob Stoops</td>
<td>Oklahoma</td>
<td>$4,303,000</td>
</tr>
<tr>
<td>Urban Meyer</td>
<td>Florida</td>
<td>$4,000,000</td>
</tr>
<tr>
<td>Nick Saban</td>
<td>Alabama</td>
<td>$3,900,000</td>
</tr>
<tr>
<td>Les Miles</td>
<td>LSU</td>
<td>$3,751,000</td>
</tr>
<tr>
<td>Jim Tressel</td>
<td>Ohio State</td>
<td>$3,722,000</td>
</tr>
<tr>
<td>Mark Richt</td>
<td>Georgia</td>
<td>$3,096,576</td>
</tr>
<tr>
<td>Mack Brown</td>
<td>Texas</td>
<td>$3,060,500</td>
</tr>
<tr>
<td>Kirk Ferentz</td>
<td>Iowa</td>
<td>$3,024,500</td>
</tr>
<tr>
<td>Bobby Petrino</td>
<td>Arkansas</td>
<td>$2,858,000</td>
</tr>
</tbody>
</table>

Similarly, basketball, the second largest revenue producing sport among NCAA affiliates, yielded substantial salaries for coaches in major programs. Legendary coach Mike Krzyewski of Duke University earned a reported $4,095,909 in 2009. Following close behind in the salary wars were Rick Pitino of Louisville and Bill Self of the University of Kansas who earned $4,073,093, respectively. Table 3 summarizes the salaries of ten highest paid coaches whose teams appeared in the 2009 NCAA tournament.

Table 3. Compensation for 2009 NCAA Tournament Basketball Coaches

<table>
<thead>
<tr>
<th>Coach</th>
<th>University</th>
<th>Average Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mike Krzyewski</td>
<td>Duke</td>
<td>$4,095,909</td>
</tr>
<tr>
<td>Rick Pitino</td>
<td>Louisville</td>
<td>$4,073,093</td>
</tr>
<tr>
<td>Bill Self</td>
<td>Kansas</td>
<td>$3,675,656</td>
</tr>
<tr>
<td>Tom Izzo</td>
<td>Michigan State</td>
<td>$3,083,300</td>
</tr>
<tr>
<td>Thad Matta</td>
<td>Ohio State</td>
<td>$2,662,000</td>
</tr>
<tr>
<td>Sean Miller</td>
<td>Arizona</td>
<td>$2,300,000</td>
</tr>
<tr>
<td>Al Skinner</td>
<td>Boston College</td>
<td>$2,219,592</td>
</tr>
<tr>
<td>Rick Barnes</td>
<td>Texas</td>
<td>$2,150,000</td>
</tr>
<tr>
<td>Ben Howland</td>
<td>UCLA</td>
<td>$2,040,000</td>
</tr>
<tr>
<td>Gary Williams</td>
<td>Maryland</td>
<td>$1,996,334</td>
</tr>
</tbody>
</table>


The paradox is that despite the increased influx of revenue generated by NCAA institutions, coaches reap the rewards, while student athletes receive no financial remuneration. The primary contradiction within the NCAA and, in particular, its top revenue producing schools is that, on one hand the amateur rules apply to the athletes and on the other, the rules of the market apply to the school’s athletic departments with the big exception being their labor costs. In essence, on one hand the NCAA and its member schools are non-profit educational entities, with their athlete employees categorized as student athletes, and on the other their athletic departments, at the top level, are highly profitable.
commercial enterprises (Meggyesy, 2000). Captivatingly, federal courts have acknowledged college athletic departments, as competing commercial entities whose activities fall within the purview of federal anti-trust laws (Mitten, 2000).

Perhaps the most revealing indicator of the magnitude of collegiate sports lies in the fact that the highest paid president of one of the nation’s leading institutions of learning, E. Gordon Gee of The Ohio State University earns less than each of the ten highest paid collegiate basketball and football coaches (see Table 4). These data epitomize the magnitude of collegiate athletics. The increasing salaries and media/television contracts support the relationships between large corporations and amateur athletics within the National Collegiate Athletic Association model.

Table 4. Highest-Paid Presidents of Public Universities, 2007-08

<table>
<thead>
<tr>
<th>President</th>
<th>Institution</th>
<th>Total Compensation</th>
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<td>E. Gordon Gee</td>
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<td>Robert H. Bruininks</td>
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The Commercialization of the NCAA

The perceived commercialization of collegiate sports has generated concern over the last decade. Some observers conclude that the swift rise athletic department budgets, the construction of facilities and the growth of coaches’
salaries result in nothing short of an “arms race.” For example, Luebchow (2010) concludes:

“The commercialization of college sports has fueled an arms race among colleges, resulting in intense competition for recruits and coaches, which in turn has led to excessive spending on salaries and facilities. Each high-profile program tries to outdo the next, pouring money into lavish new stadiums, complete with luxury skyboxes and state-of-the-art training rooms. If the NCAA wants to show Congress and taxpayers that it is serious about keeping athletics integrated with the academic mission of higher education, it needs to do something about this arms race.”

Furthermore, the Knight Commission, who serves as a de facto watchdog group which seeks to reform issues in college sports commented, “Overall, spending on athletics appears to have created a so-called “arms race” between competing athletic programs and institutions” (Knight Commission on Intercollegiate Athletics, 2010a).

Analyzing the structure and functions of the NCAA within the frame of stakeholder theory and corporate social responsibility, we also must critique the factors influencing the paradox of amateurism within this institution. Based on the constructs of new business development models associated with increased revenues within the amateur model, many universities are engaged in large financial investments. The formulation of the Bowl Championship Series (BCS) is another example of the commodification and exploitation of the collegiate model. Total revenues for the 2008-2009 season were $600 million for the respective six conferences (Wolverton, 2009). Each school averaged around $10 million in revenues. The Atlantic Coast Conference led the conferences with a total of $130 million for the conference. The Southeastern Conference (SEC) signed a 15-year television contract with CBS for $55 million per year. ESPN/ABC signed a multi-year deal for $150 million per year that totaled $2.25 billion. The total of the deals should generate around $205 million to the respective schools, conferences and the NCAA. The BCS championship game pays each school (conference) $17 million dollars apiece (Chronicle of Higher Education, 2009). The business of collegiate sports is not only business but a huge conglomeration made up of corporations, donors and large media giants. These financial expenditures and revenues are alarming and mind boggling. The modern day college sport arena is laden with multi-million dollar contracts awarded to coaches, media rights, stadiums and bowl games.

Finally, as a testament to the commercialization of college sports by the NCAA, Colombo (2009) and Smith (2010) argued for an examination of federal
tax laws and how they are applied to the NCAA as a business enterprise. Athletic departments in search of funds are turning to corporate sponsorships, external marketing, and media firms, and are funneling hundreds of millions of dollars into stadiums. Because of this recent trend, the collegiate athletics model is beginning to resemble the professional athletics model. With this blurring of lines between college and professional sports, many question why collegiate athletic departments should be treated as tax-exempt organizations while the professional organizations are forced to pay taxes on their revenues. Collegiate athletic departments might be drifting away from their educational purpose and jeopardizing their status as 501(c)(3) corporations. At a minimum, most argue that athletic departments are earning substantial business income, unrelated to athletics that should be taxed, regardless of their tax-exempt status (Smith, 2010).

In summary, athletic departments have become increasingly commercialized mostly due to their mandate to be self-supporting (Padilla & Baumer, 1994). Evidence for this commercialization is expressed in the efforts to secure property/naming rights. In addition, efforts are made to generate revenue through television and radio rights, stadium boxes, seat licenses and corporate advertising (Burden & Li, 2003). Those types of activities resemble that of corporate America more than they resemble the traditional campus image. Without doubt collegiate athletics is market driven, contributing even more to the commercial image of the NCAA, and separating the business aspects from the play on the field seems to be a rather impossible task.

Balancing Fidelity to the NCAA’s Core Mission, Stakeholder Interest, and Social Responsibility

Maximizing a organizations’ operational and financial performance while concurrently addressing issues of social responsibility remain central themes for administrators. The NCAA is charged with this same task. Allison (1995) argued that the NCAA must remain true to its core mission, protecting its primary stakeholder—student-athletes. Revenue generation through its member institutions must be a secondary and necessary charge. Thus, organizations must make choices in their efforts to achieve instrumental goals and address stakeholder claims. Additionally, organizations such as the NCAA must be concerned with their own self-interests and understand that outcomes are often a reflection of their performance (Jones, Felps & Bigley, 2007). As a result, this decisional tension creates a “stakeholder paradox” (Goodpaster, p. 63), because the organizations exist in environments that challenge them with questions of organizational self-interests, market responsibility—striving for profit maximization and market efficiency, and traditional morality—showing a sense of obligation, respect, and fairness towards others (Jones et al., 2007 ). If, the NCAA is to remain its
mission and objective to support collegiate sport development without providing grounds for any accusations of professionalism, then actions need to be taken. Similarly, Kleinmann (2008) posits that multi-functional organizations such as the NCAA are compelled to operate and communicate in socially responsible ways that protect the interests of key stakeholders. Social responsibility and accountability needs to be of utmost importance to sport administrators, coaches, and everyone else involved in the production of collegiate sport. With that said, perhaps the most beneficial and effective way of eliminating the controversy of whether the NCAA is operating in support of amateurism or professionalism would be to gather all stakeholders and have a productive discussion about the direction in which future actions and strategies need to be focused. Whether that being reconfiguring the governance side of the NCAA or the implementation of new rules and regulations aimed at preserving what NCAA has been trying to depict and achieve since its establishment – providing an environment that is paramount for the best educational experience.

One area of concern relative to the student-athlete as a major stakeholder lies in the area of payment for playing sports at major universities and sharing in revenues from athletic apparel. The NCAA currently does not permit payment to athletes for services rendered. Its position is that apparently it won’t be relaxing its rules on sharing the wealth with athletes any time soon. In a recent speech at the IMG International Athletics Forum NCAA president Mark Emmert stated, “Compensation for students is just something I’m adamantly opposed to. Emmert further added that: “We’re [institutions of higher education] providing athletes with world class educations and world class opportunities. If they are one of the few that are going to move on to become a pro athlete, there’s no better place in the world to refine their skills as a student-athlete.” (USA Today, 2010). Arguably, this position can be construed as not being in the best interest of the student-athlete especially in light of the revenue generated by member institutions from the labors of the athlete.

The bottom line and the pressing question to ask is: What does social responsibility mean in the realm of collegiate sport? This question in return triggers more questions. To be socially responsible, do we need to place an emphasis on education more than on athletics, or should we strive to accomplish a balance between the two? How should we distribute the revenue generated from the big-time sports? How do we achieve the NCAA mission of serving its most important stakeholder, the student-athlete, without sending out mixed messages about what collegiate sport is about? Perhaps the root of the problem and difficulty of determining social responsibility within the NCAA boundaries is in the variety of interpretations different stakeholders may have about CSR in the collegiate setting. For example, fans and spectators may view social
responsibility through a different lens than coaches and athletic administrators. Therefore, a common language and an open discussion involving all interested parties could be a great start in the search for the true meaning of social responsibility within the NCAA and for the venues through which this meaning could be implemented in the development and operations of college sports.

Implications and Conclusion

The purpose of this paper was to discuss the concept of CSR and its relationship to collegiate sports. The current paper examined the history and structure of the NCAA within the framework of CSR, elucidating upon several paradoxes. We have argued that the stakeholder theory is “managerial” and recommends the attitudes, structures, and practices that, when consolidated, constitute a stakeholder management philosophy. The theory goes beyond the purely descriptive observation that “organizations have stakeholders,” which, although true, carries no direct managerial implications. The role of sports in the United States and more specifically within collegiate athletics indicates large forms of commercialization to include elaborate salaries, a facilities “arms race,” extensive television and marketing investments and out of balance salaries. These issues present forums for discussion regarding the role of sport in academic institutions and more importantly the responsibility and accountability of sport. Furthermore, the massive amounts of revenues that are generated by universities raise the question of corporate accountability and social responsibility. These numbers are one reflection of the effects of various aspects of corporate financial performance. Based on the early research around social responsibilities (Bowen, 1953), businesses exist for the pleasure of the society and their actions and methods of operation must fall within the guidelines of the society itself. The governing body for the NCAA is caught in a perplexing situation. How do they attempt to reconcile a multi-billion dollar industry and still be of amateur status? How do you attempt to justify the mega salaries of coaches on college campuses while top scholars that conduct research, teach and provide a noble profession to the institutions of higher education. Does the NCAA hold true to the student-athletes as legitimate stakeholders? If the construct of social responsibility encompasses the economic, legal, ethical and discretionary actions of the organization in relationship to the society, the NCAA is negligent and guilty of the commoditization and counterfeiting of sports as an amateur product.

The continued corporate support of amateur collegiate athletics will continue to be a major topic of discussion. As we face a financially challenging global society, leaders must confront the issues of strong corporate support for sports while neglecting basic social needs such as youth education, health disparities, poverty and crime. How can a society consider itself socially accountable and
responsible to the people, while paying amateur coaches millions of dollars per year while esteemed faculty struggle for resources to train and prepare the minds of the future. Moral and ethical arguments surrounding the NCAA and its core mission must continue to take place in a meaningful forum that will modify the leadership behavior of athletic departments and begin the process of exercising true responsibility and accountability in collegiate sports.

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