

# Football is More:

*What the Business World can Learn from CSR Initiatives in Professional Football*



FIM Foundation

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UNIVERSITÄT  
LIECHTENSTEIN

Information and Knowledge for All:  
*Towards an Inclusive Innovation*

**The World Conference on Intellectual Capital for Communities**

UNESCO, July 3&4 2017

# The Project Team



3rd & 4th July 2017

The World Conference on Intellectual Capital for Communities  
- 13th Edition -



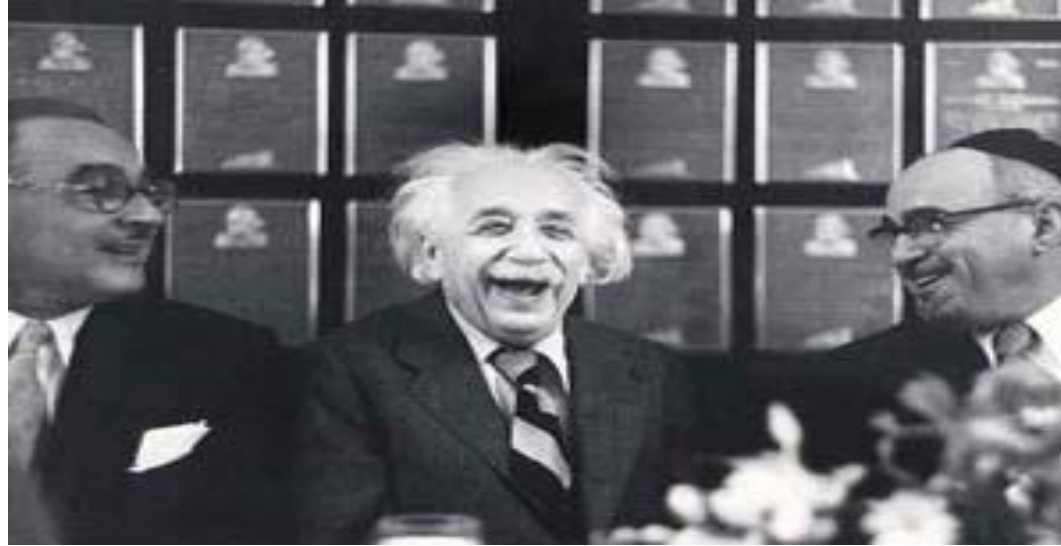
# Our World – Quo Vadis?

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**“We cannot solve our problems with the same thinking  
we used when we created them.”**

**Albert Einstein**

# **SUSTAINABLE DEVELOPMENT GOALS**





# Leadership – Quo Vadis?

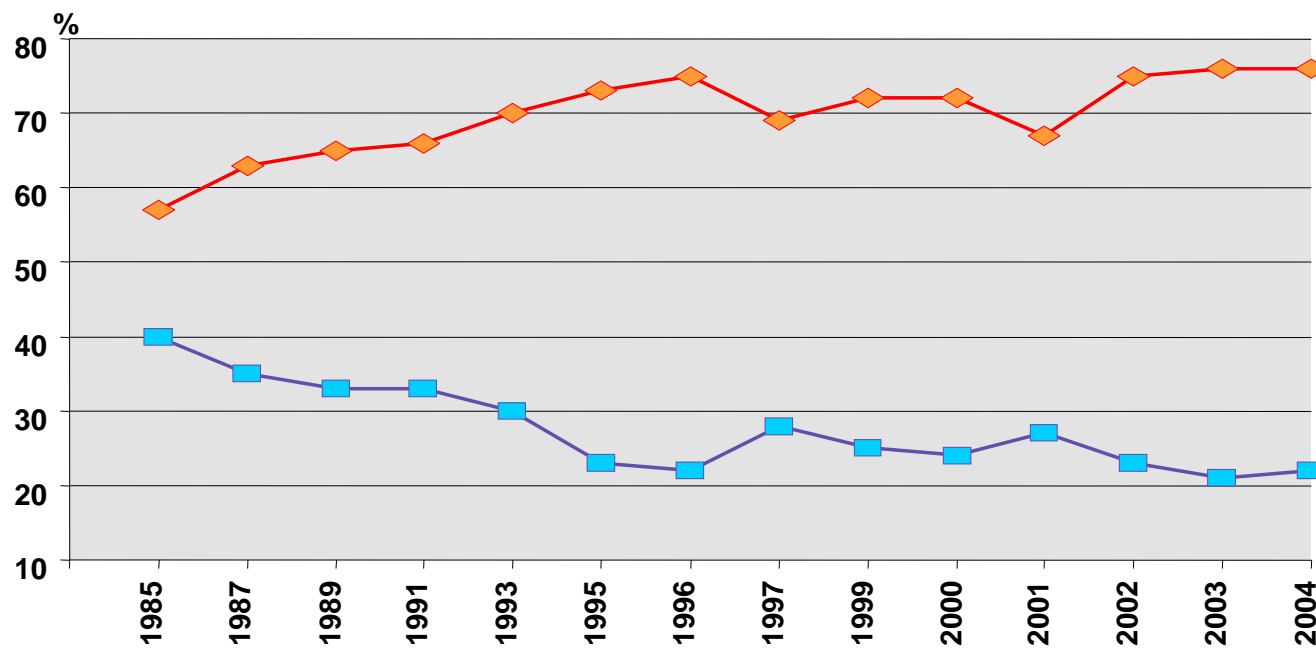
“The business of business is business.”

„The social responsibility of business is to increase its profits.“  
*(Milton Friedman)*

„The corporate objective function that maximizes social welfare thus becomes maximize total firm market value. It tells firms to expand output and investment to the point where the **market value of the firm is at a maximum.**“  
*(Michael C. Jensen)*

# Our Way into a Leadership Crises

## Towards a divorce between firms and people



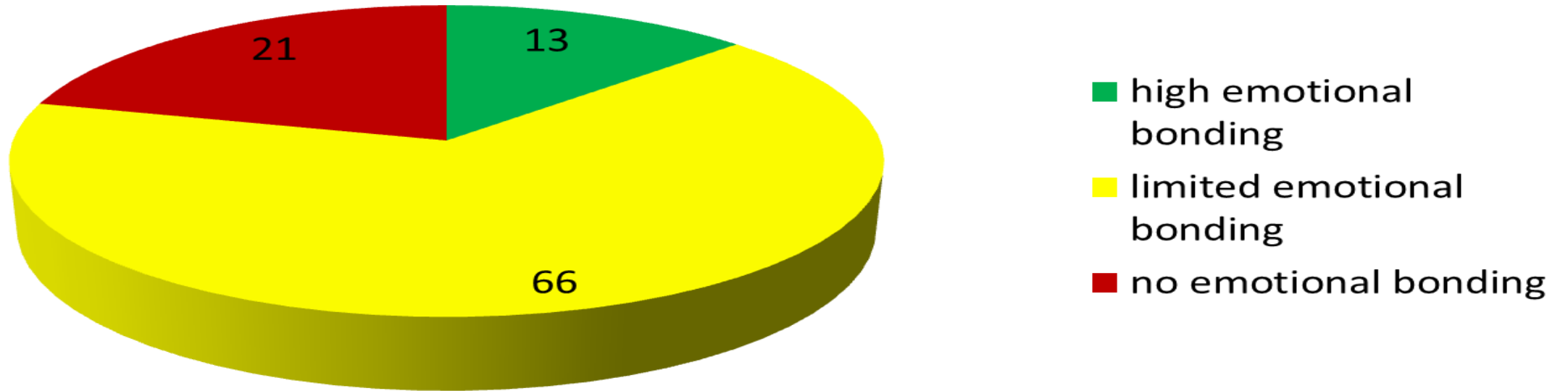
(enquiry carried out in population of France)

© Sociovision Cofremca 2004

**The interest of companies is usually opposed to the interest of its employees**

**The interest of companies usually runs parallel to the interest of its employees**

# The Result: Gallup Engagement Index



Source: Nink, M. (2011). Engagement Index Deutschland 2010, Gallup GmbH, Markgrafenstrasse 42, D-10117 Berlin, Pressegespräch vom 9. Februar 2011



# Why High Emotional Bonding Matters (1)

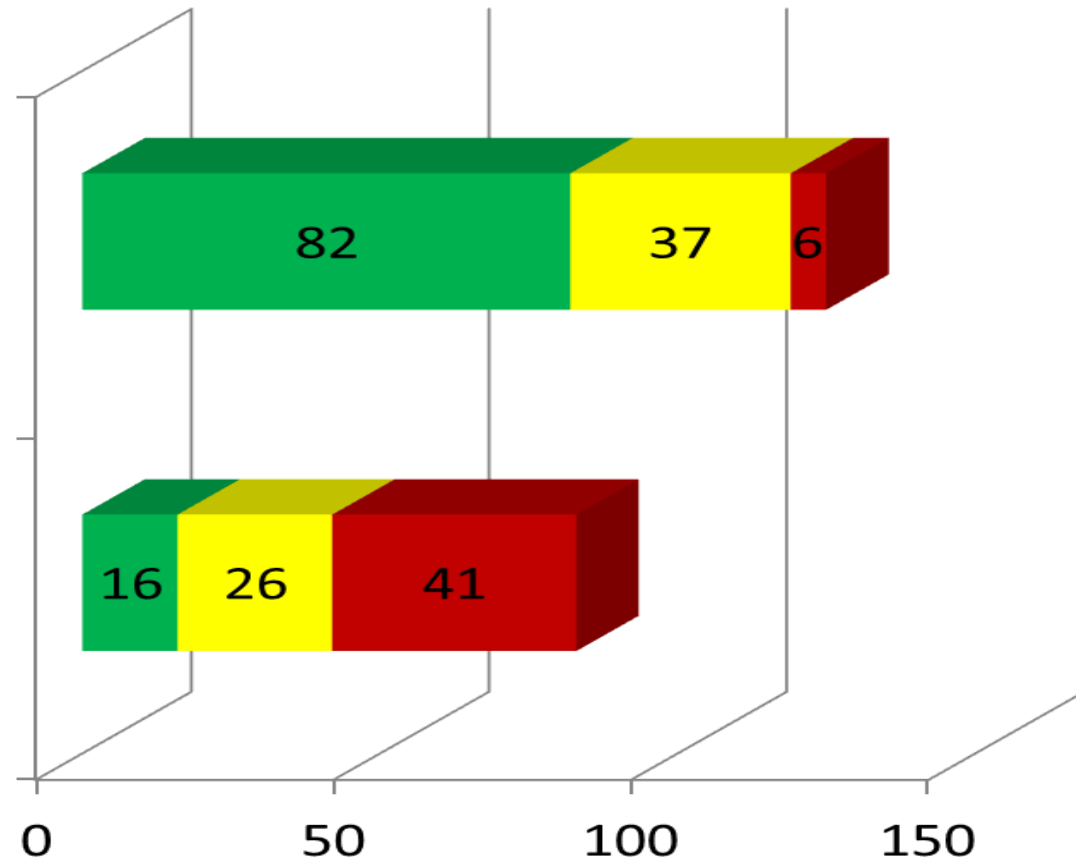
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"I had fun at work during the past week."

"Have you had during the past 30 days,  
three days or more, out of which the  
work led to stress with a result of  
behavior differences between yourself  
and your family / friends?"



Source: Nink, M. (2011). Engagement Index Deutschland 2010, Gallup GmbH, Markgrafenstrasse 42, D-10117 Berlin, Pressegespräch vom 9. Februar 2011

## Why High Emotional Bonding Matters (2)

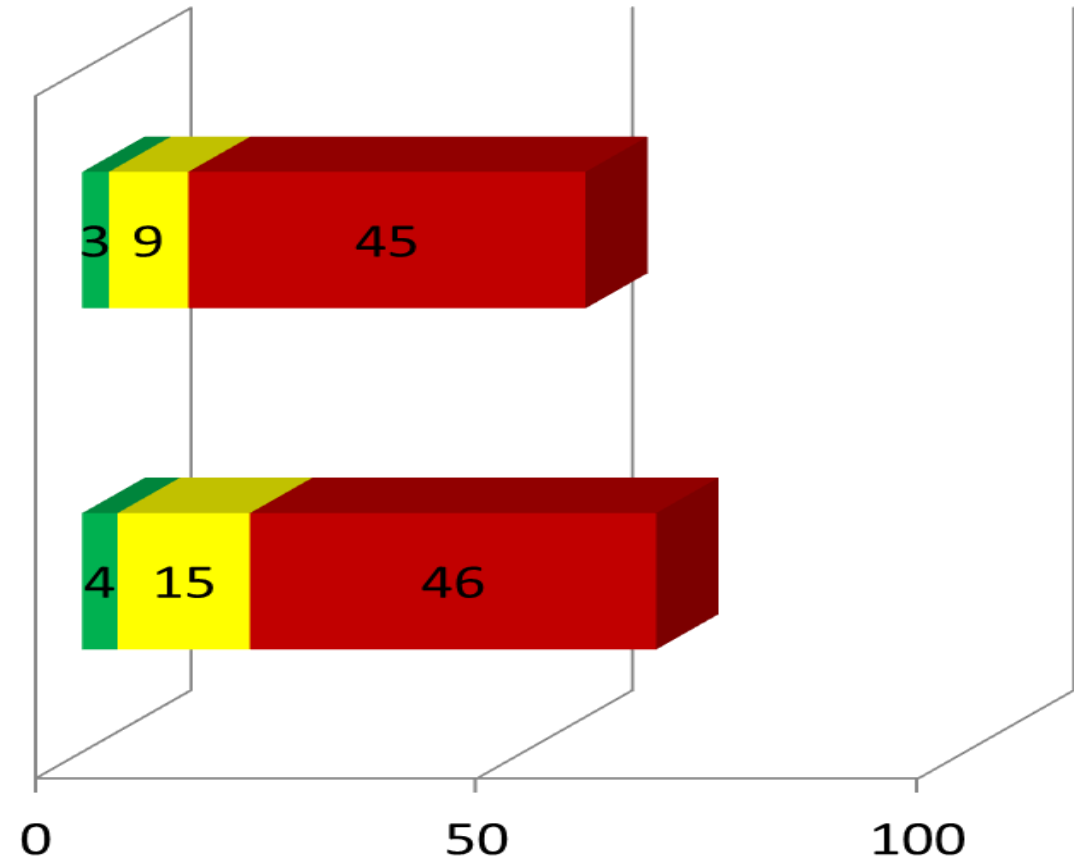
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Assume that you could fire your current boss immediately. Would you do it? Answer: fire immediately

Have you, based on your boss, thought about leaving your job in the past 12 months?



Source: Nink, M. (2011). Engagement Index Deutschland 2010, Gallup GmbH, Markgrafenstrasse 42, D-10117 Berlin, Pressegespräch vom 9. Februar 2011

## Beyond Taylor: From Management by Results ...

„Management by numerical goal is an attempt to manage without knowledge of what to do, and in fact usually management by fear.“

“If management sets only quantitative targets and makes people’s jobs depend on meeting them, they will likely meet the targets - even if they have to destroy the enterprise to do it.”

W. Edwards Deming  
*Founder of Quality Management*



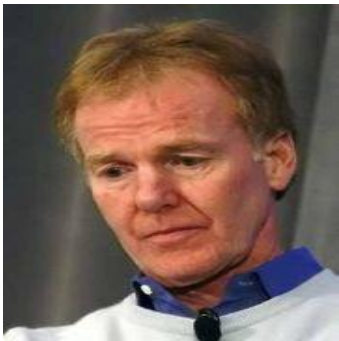
## ... to Management by Attention

“Management Attention is the Scarce Resource of Companies Acting in the Knowledge Age.”



Robert L. Simons

*Harvard Business School*



„Paying attention is no trivial task. Indeed much of the process of mastering any domain involves continual refinement in the capacity to pay attention, while simultaneously performing.“

“I believe all organizations must develop their own practices and disciplines for cultivating attentiveness.”

Peter M. Senge

*MIT, Society for Organizational Learning (SOL)*

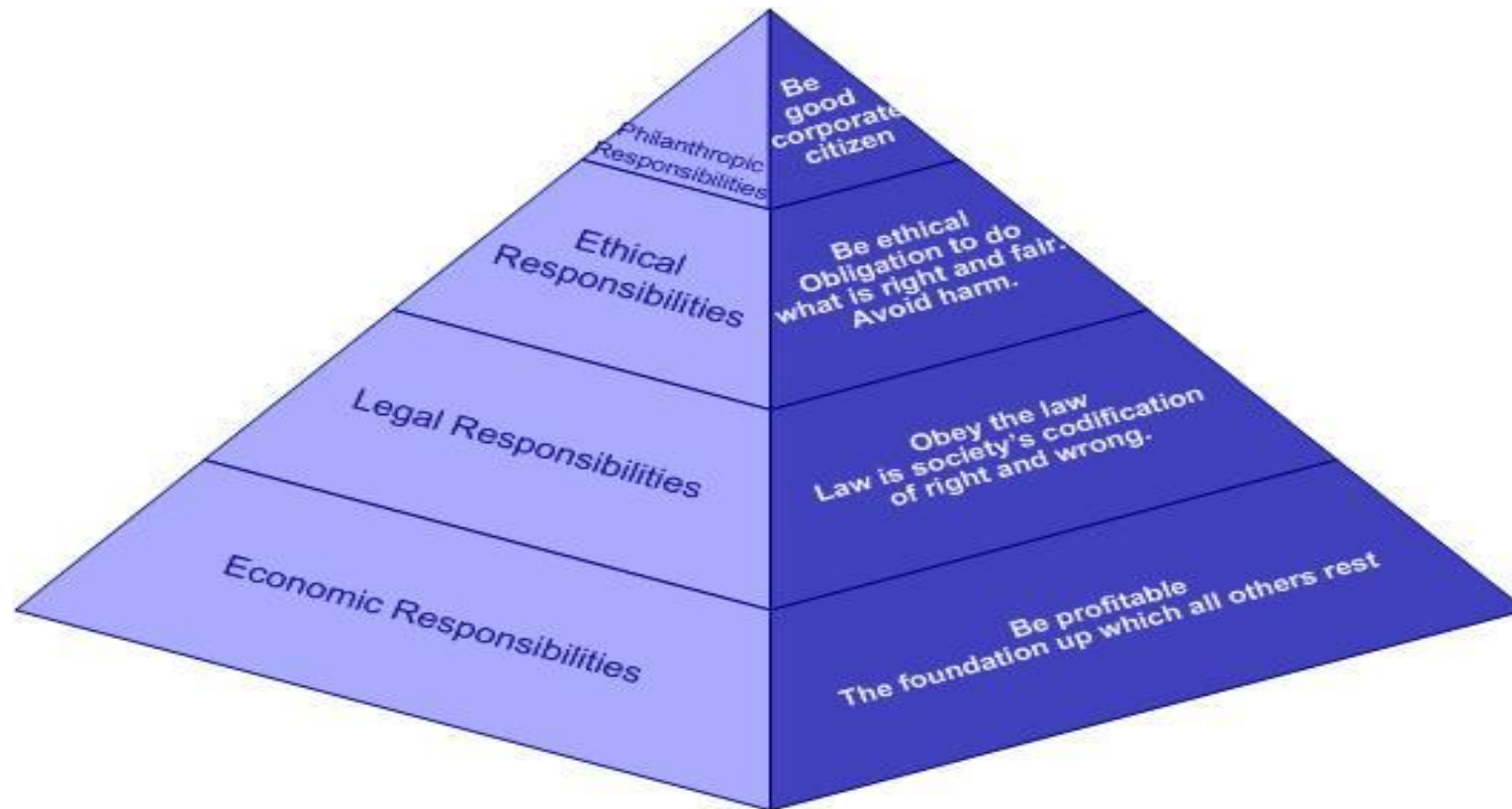


# What Companies Can Learn From Sports?

- **Max. 4 out of 11** players know, which goal belongs to them.
- **For only 2 out of 11** players this is relevant.
- **Only 2 out of 11** players know their exact role and know what they are expected to do.
- **2 out of 11** players would try out something new during the game (during 90 minutes).
- **Except 2** the rest would play against their own team and not against the opponent team
- The coach doesn't care in **3 out of 4** games if his/her team wins.
- The team is exercising **1 hour a month** with its coach.

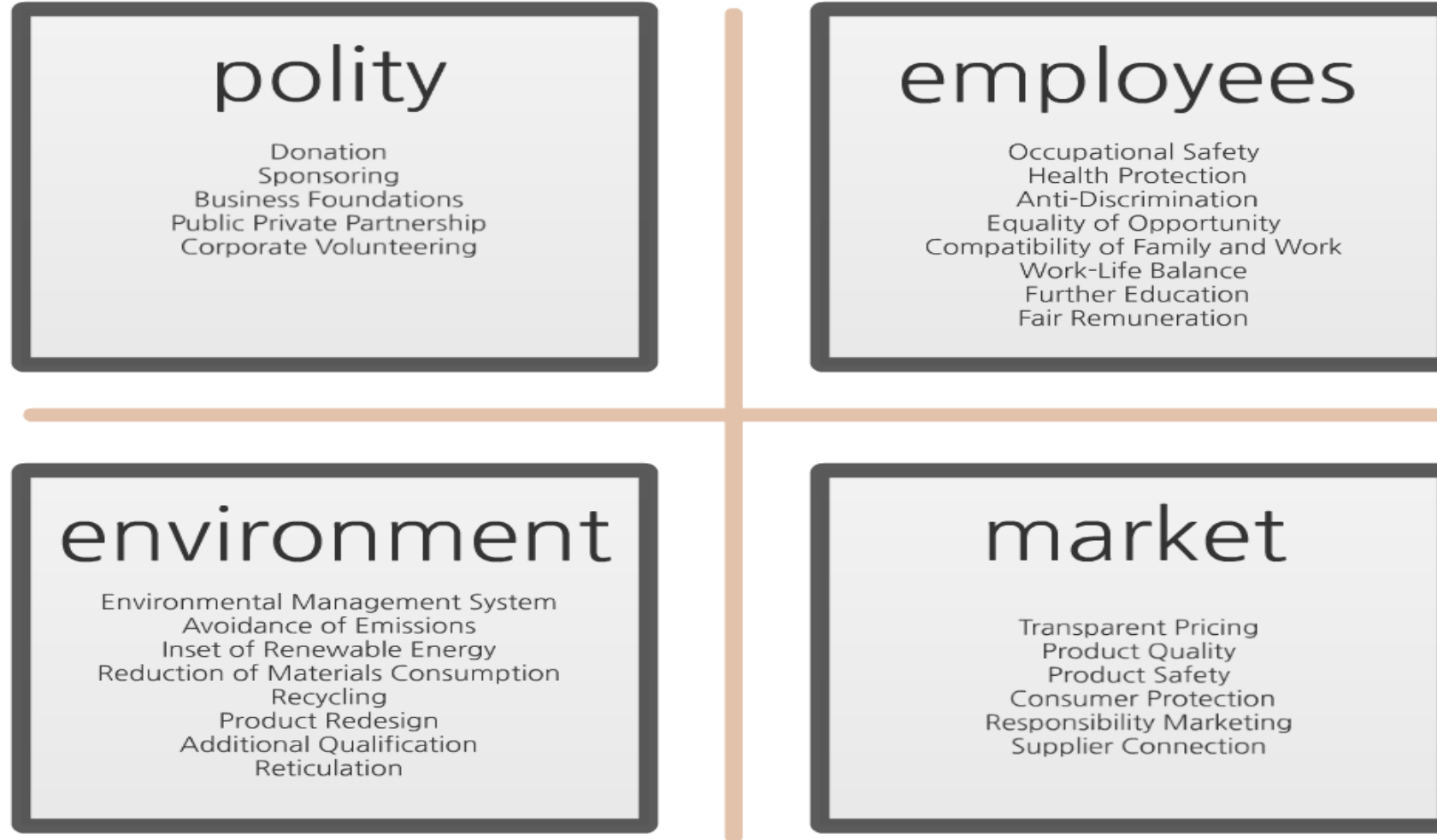
# What is Corporate Social Responsibility?

“... actions that appear to further some social good, beyond the interests of the firm and that which is required by law”



Carroll's CSR Pyramid

## CSR in Practice – Dimensions



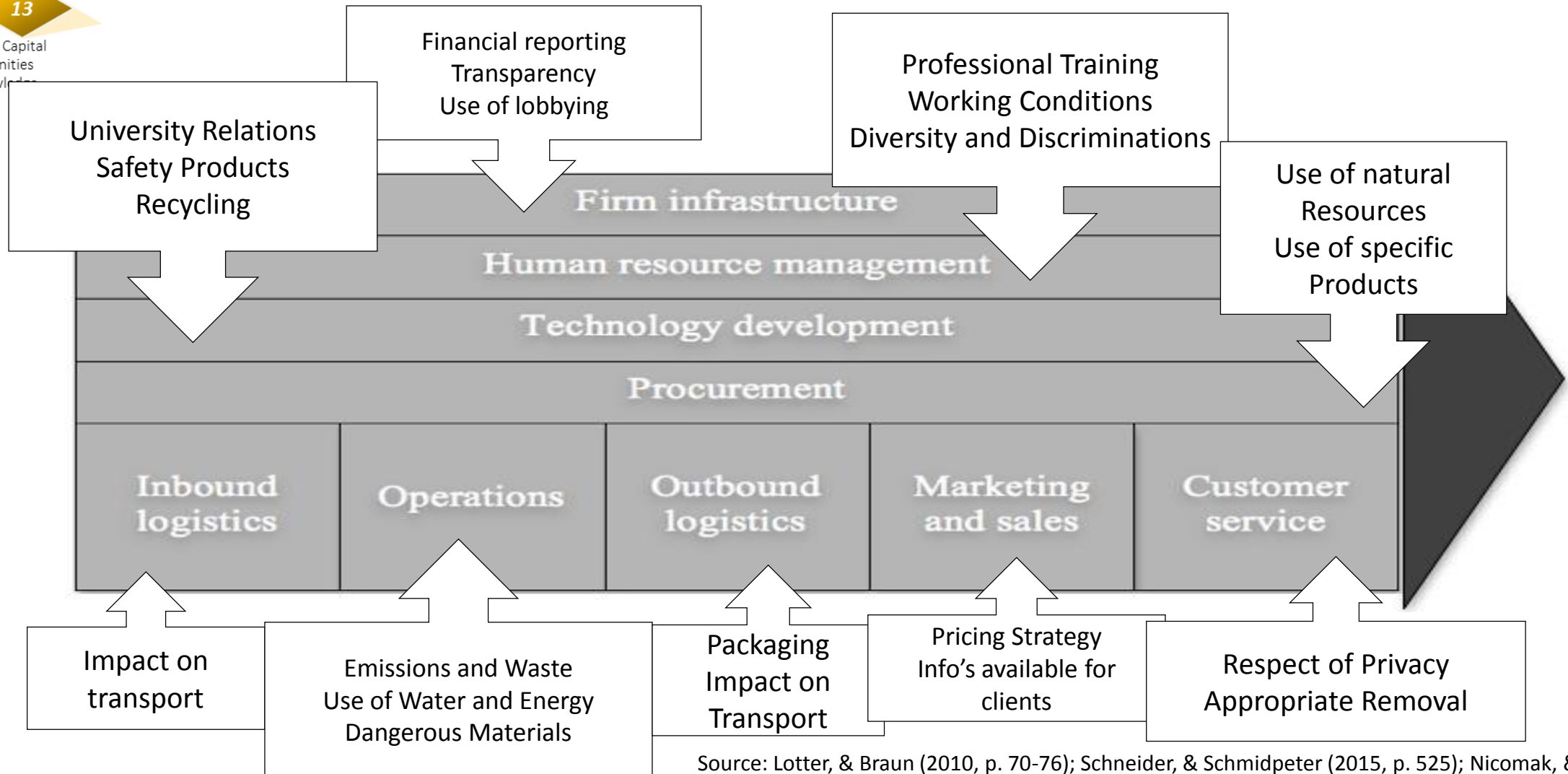
Source: Lotter, & Braun (2010, p. 92-93); Curbach (2009, p. 122)

# CSR in Practice – Implementation

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Source: Lotter, & Braun (2010, p. 70-76); Schneider, & Schmidpeter (2015, p. 525); Nicomak, & Lukatsch (2010, p. 27); Cavusgil, Knight, & Riesenberger (2014, p. 161); Wassmann (2013, p. 213)



# What distinguishes CSR in Sports and CSR in Business?

Smith and Westerbeek (2007) highlighted some sports-specific factors, which have a positive influence on the nature and dissemination of CSR activities:

- Range and power of communication through mass media in sports
- Positive effects on health and awareness of sustainability
- Social interaction
- “Sense of unity” through the club

CSR in sports has therefore gained importance and seems to display special characteristics due to its entrenchment in society and presence in media – especially in contrast to CSR in business.

In the end Football is the most popular sport in the world.

# Professional Clubs: Commonalities & Differences (1/2)

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## Projects

- **Bremen, Hannover, FC Zurich, Rapid:** main focus on local/social projects
  - **FC Zurich:** additional focus on ecological projects
  - **Liverpool:** global AND local projects
  - **Benfica:** focus on human values and support the excluded and poor in the society
- “glocal”: local actions with global impact

## Public pressure

- **Bremen:** mention public pressure by NGO's and political institutions
- **Liverpool:** Premier League expects CSR as well as public pressure

## Funding

- **Bremen:** annually € 1 million
- **FC Zurich, Vienna:** € 50.000-100.000 (no set amount)
- **Liverpool:** £ 2 million; a Premier League major funds provider
- **Benfica:** average of € 900.000 per year
- No governmental aids
- Sponsors, partners, or fundraising

## Communication

- **Bremen:** website and internet platform
- **FC Zurich:** magazines and interviews
- **Liverpool, Hannover:** website, social media, print media, TV channel
- **Benfica:** spread information on TV channels or in newspapers

# CSR Benefits in Soccer Clubs

- Deeper talent pool – youth development programs lead to future talents for the soccer clubs (Jenkins, 2013)
- Brand and reputation benefits – expansion of the fan base (Smith and Westerbeek, 2007)
- Financial improvements – sponsors and commercial partners (Jenkins, 2013)

# Professional Football Clubs (and interviews conducted)

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- SV Werder Bremen
  - Ms. Laufmann
  - Date: 15.05.2015
- FC Zurich
  - Mr. Canepa
  - Date: 21.05.2015
- SK Rapid Vienna
  - Mr. Kuhn
  - Date: 24.05.2015



- Liverpool FC (Foundation)
  - Mr. Haig
  - Date: 15.08.2015
- Benfica Lisboa
  - Mr. Miranda
  - Date: 07.07.2015
- Hannover 96
  - Mr. von Löbbecke
  - Date: 22.07.2015





# Professional Clubs: Commonalities & Differences (1/2)

## Measurement

- **Bremen:** clipping tools, questionnaires, and Facebook
- **Rapid:** no measuring
- **Liverpool:** project-oriented and university collaborations
- **Hannover:** intrinsic and social value not measurable
- **Benfica:** a set of various key performance indicators

## Foundation

- **Bremen, Liverpool:** yes
- **FC Zurich, Rapid:** no
- **Hannover:** collaboration with Robert-Enke-Foundation

## Advantages

- improvement of reputation
- support of underprivileged people
- business aspect benefits
- new sponsors
- better collaboration with sponsors and partners

## Disadvantages

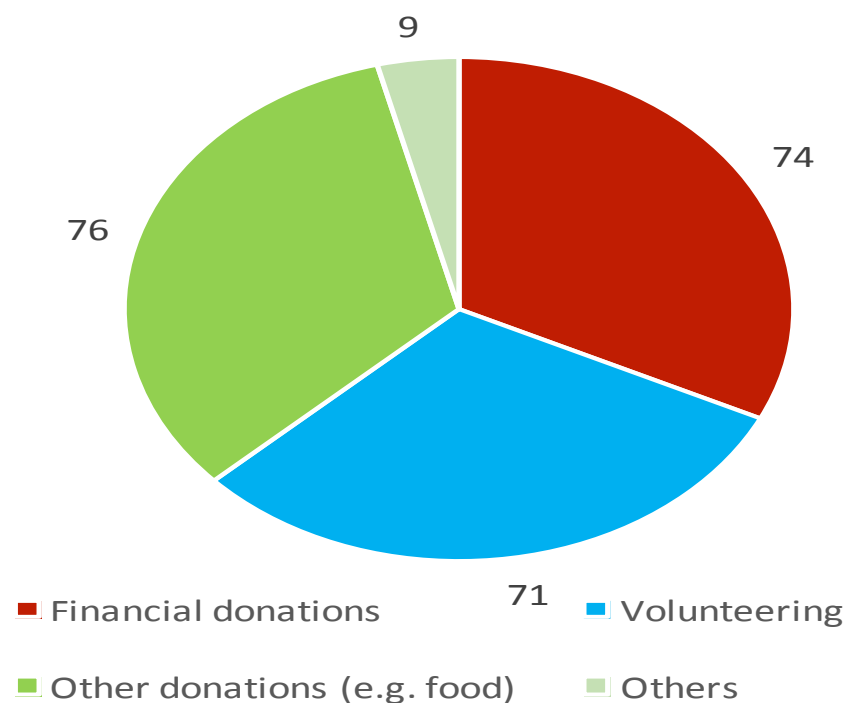
- possibly bad publicity
- misuse of CSR term
- working effort
- misunderstandings
- possible conflicts with other points on the club's agenda

# Results Spectator Questionnaire (1/6): *53% of spectators personally support social projects*

Do you personally support social projects?



If yes,...



## Results Spectator Questionnaire (2/6):

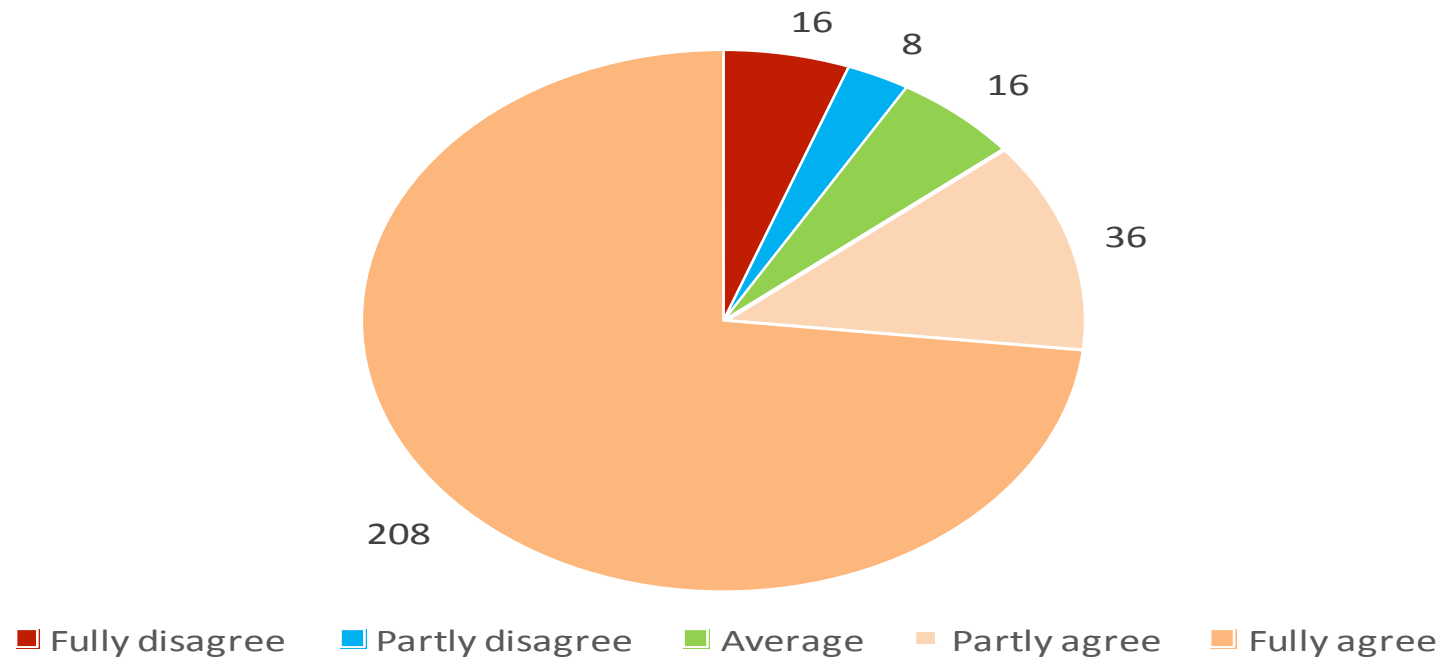
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***73% of spectators think that football and social responsibility fit together***

Do you think football and social responsibility fit together?

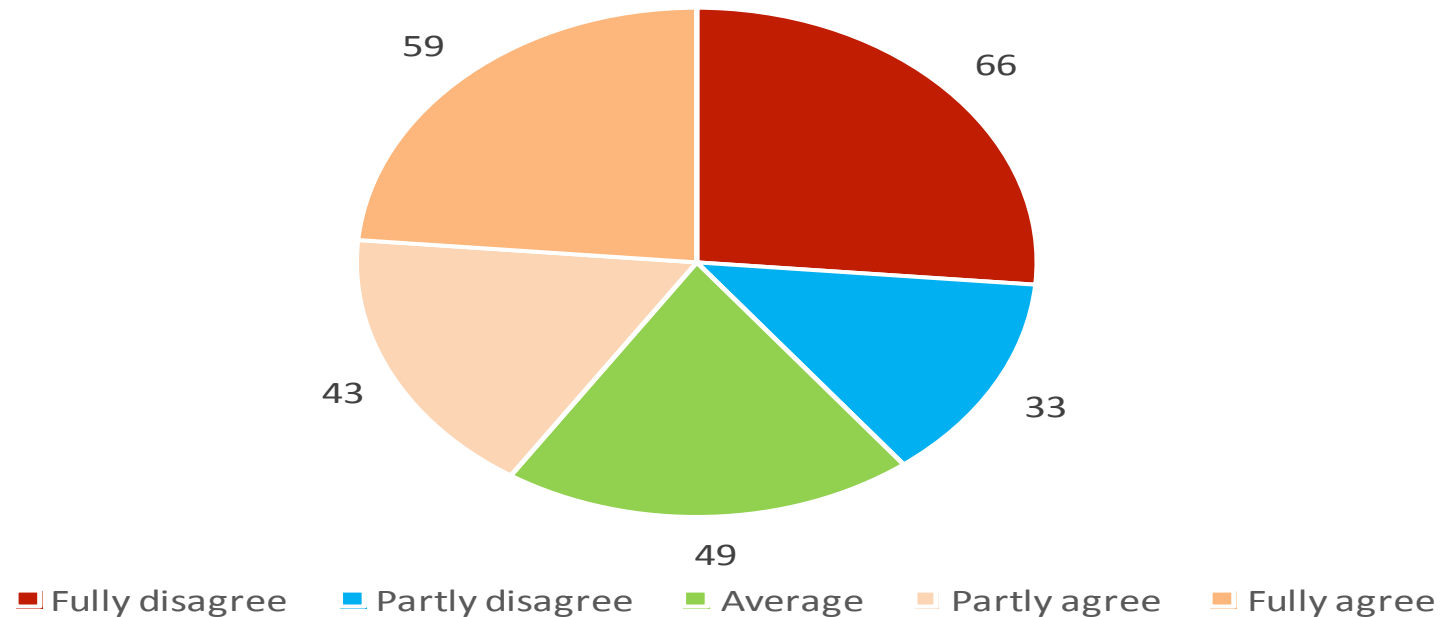


## Results Spectator Questionnaire (3/6):

**ic** *27% of spectators would be willing to participate voluntarily in CSR projects of their respective clubs*

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Would you be interested in participating voluntarily in CSR projects of your club?





## Results Spectator Questionnaire (4/6):

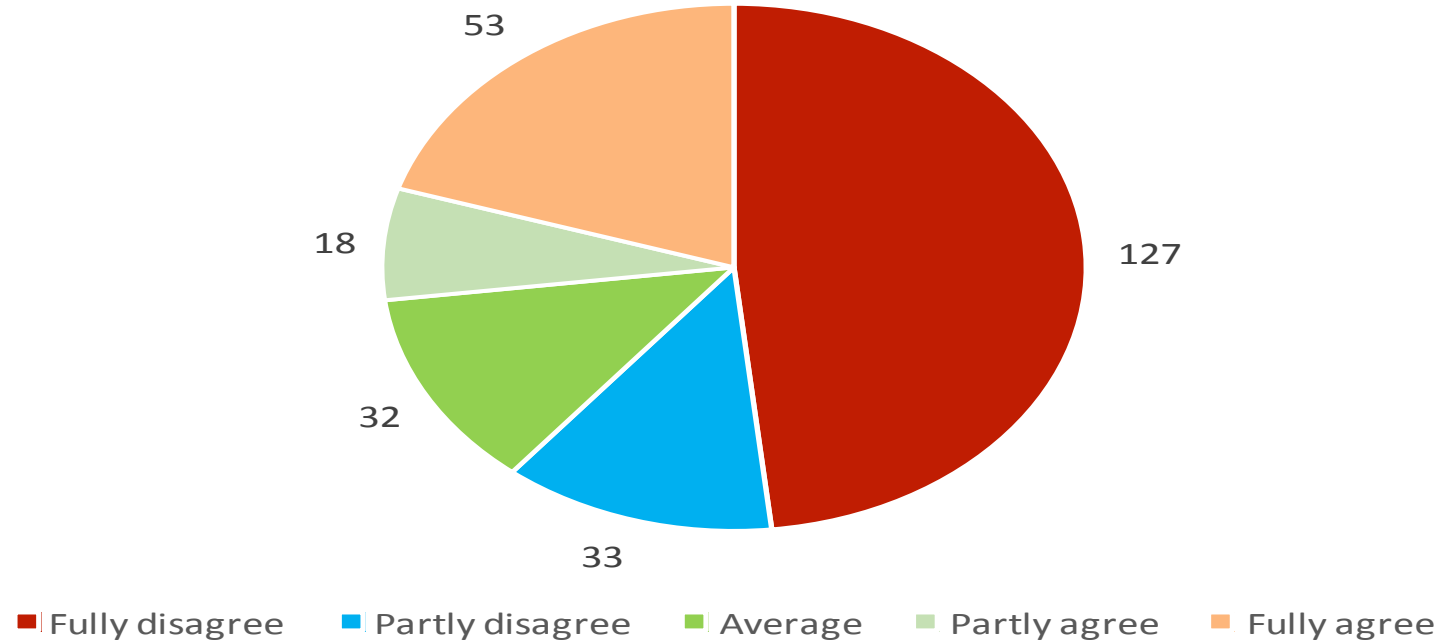
***Only 20% of spectators feel that they are invited to engage in social projects by their respective clubs***

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Does your club invite you to participate in CSR projects?

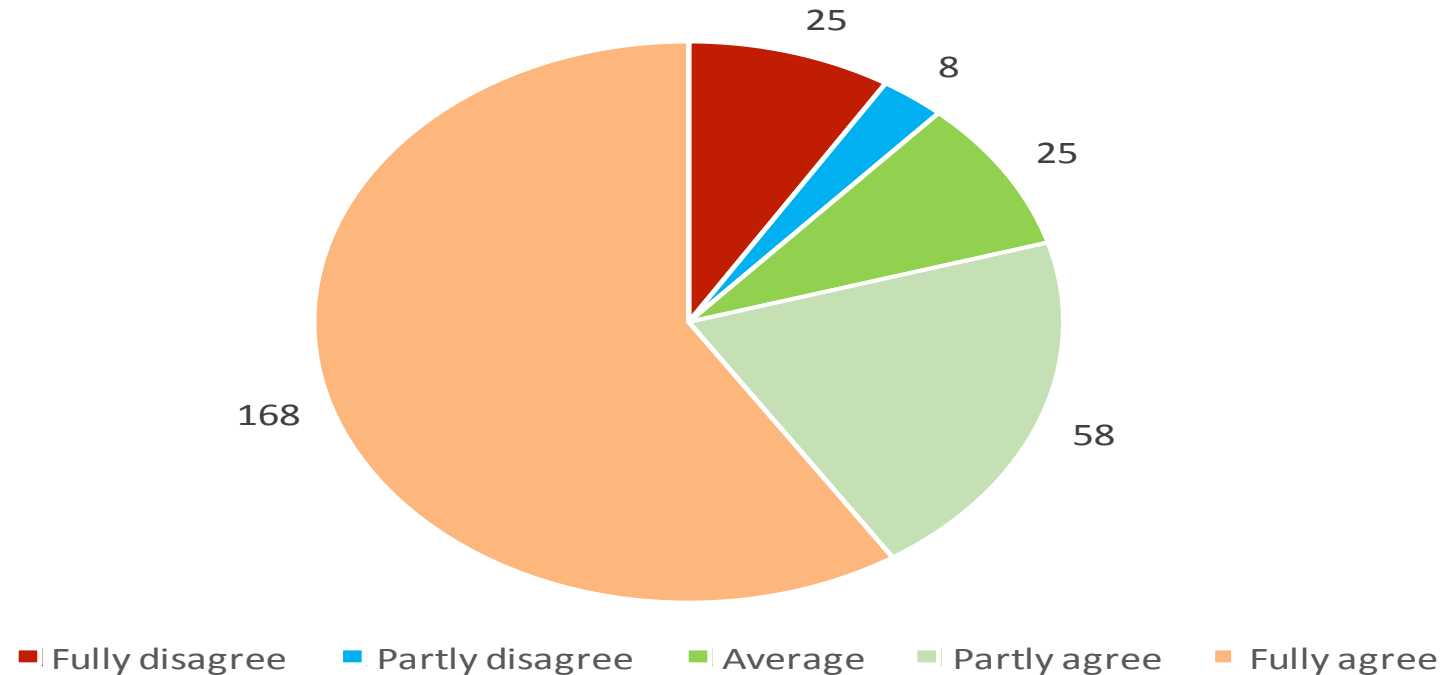


## Results Spectator Questionnaire (5/6):

**ic** *59% of spectators state that it is important for them that their respective clubs engage in CSR projects*

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Is it important for you personally that your football club engages in CSR projects?



## Results Spectator Questionnaire (6/6):

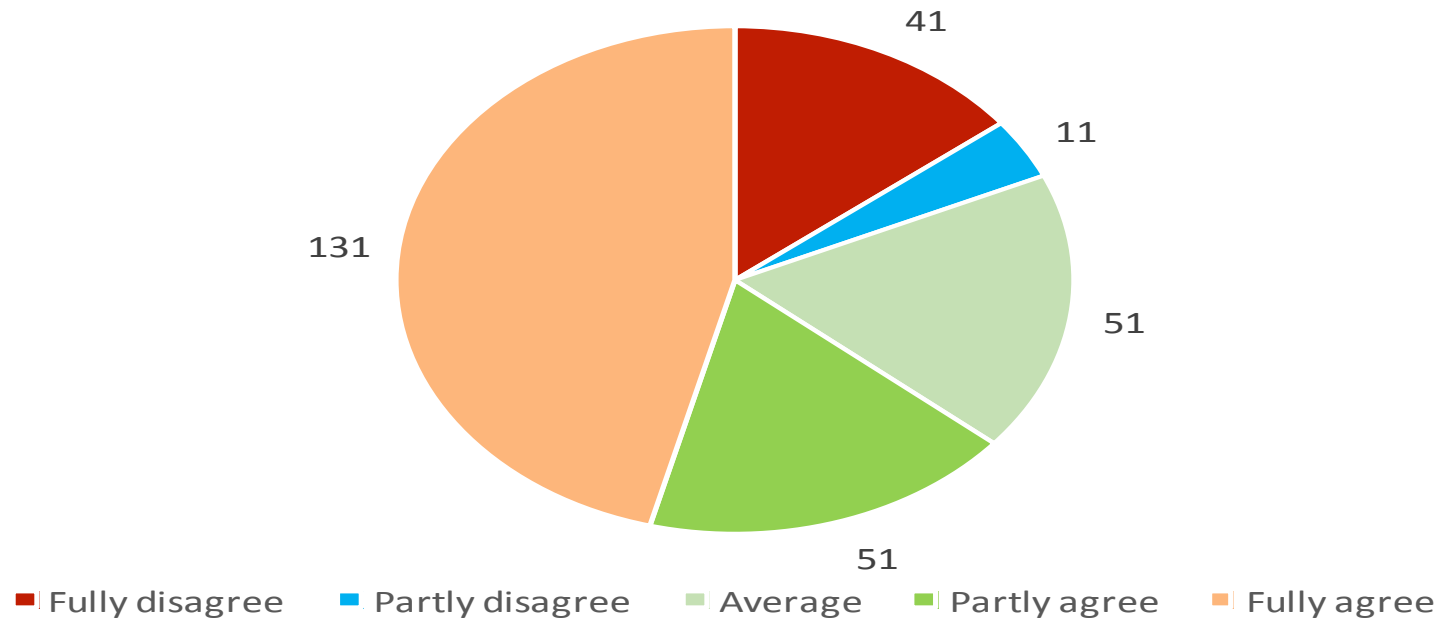
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***46% of spectators would be willing to more for a ticket, if a percentage of the price was donated for social projects***

Would you pay more for a ticket, if you know that a percentage of the price will be donated for a social project?



## Conclusions Drawn From the Interviews

### Football Clubs

- ✓ All interviewed football clubs give a high priority towards CSR-activities
- ✓ At the same time they lament on scarce resources:
  - Financial
  - Human Resources

### Spectators

- ✓ Want to see more CSR-activities of their football clubs
- ✓ Want to get engaged on a voluntarily basis. At the same time they complain about missing opportunities to do so.

**➔ Do football clubs underestimate systematically their (potential) CSR power, which is possibly enabled by their spectators and fans?**

## Internal Benefits of CSR in Companies

### Direct:

- Increased motivation of employees (Weber, 2008)
- Deeper talent pool (Sprinkle, 2010)
- Operational effectiveness (Sino-German CSR Project, 2012)

### Indirect:

- Cost savings (Weber, 2008)
- Innovation (Sino-German CSR Project, 2012)
- Improved quality (Sino-German CSR Project, 2012)
- Increased productivity (Sino-German CSR Project, 2012)

## External Benefits of CSR in Companies

Direct:

- Improved stakeholder relationship (Sino-German CSR Project, 2012)
- Increased reputation and publicity (Sino-German CSR Project, 2012)

Indirect:

- Increased consumer satisfaction (Mandl & Dorr, 2007)
- Risk reduction – conflicts avoided (El Ghoul et al, 2011)
- Improved capital access (World Federation of Exchanges, 2009)
- Easier market access (Sino-German CSR Project, 2012)

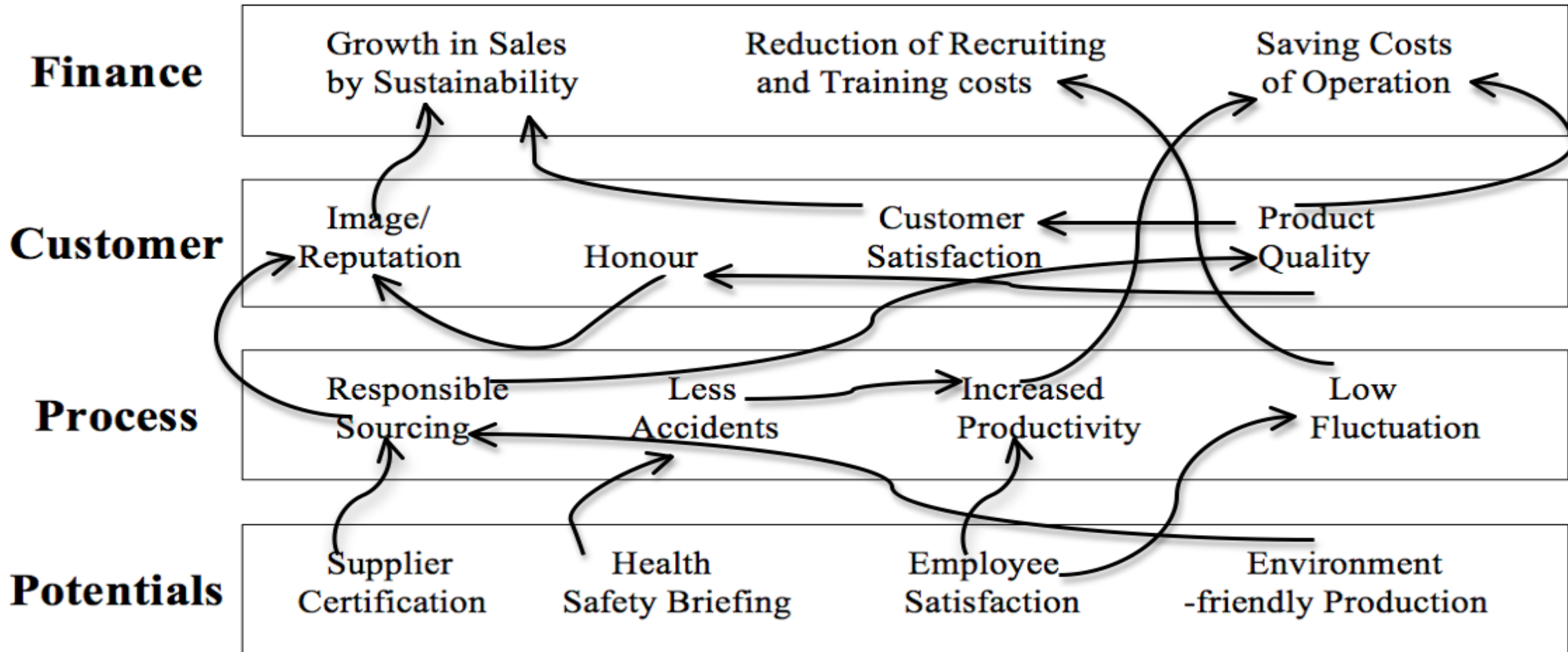


# What Makes a Company Attractive Today?

Ranking	Attract Employees (Money doesn't buy talents!)	Retain Employees (Trust increases loyalty!)	Motivate Employees (Transparency motivates!)
1	Challenging Work	Competence in Leadership	Company Reputation
2	Favorable Location	Competitive Salary	Competence in Leadership
3	Flexible Work Time	Career Opportunities	Management by Objectives
4	Reputation as Employer	Performance Management	Career Opportunities
5	Acceptable Workload	Attractive Fringe Benefits	High Degree of Autonomy

Source: Towers Watson (2010)

## Measurement of CSR



Source: Lotter, & Braun (2010, p. 98-110); Hardtke (2010, p. 286); Schulz, & Bergius (2014, p. 116)

## Summary

- ✓ The most important CSR benefits are: higher motivation, cost savings, improved stakeholder relationship and increased consumer satisfaction
- ✓ Soccer clubs profit from CSR by having more future talents, fans and sponsors
- ✓ CSR about creating a win-win situation between the stakeholders
- ✓ From Corporate Social Responsibility towards Corporate Sustainable Responsibility
- ✓ What is your contribution towards the UN 2030 Sustainable Development Goals?