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Sports, strategic CSR and ‘commercial idealism’ in Denmark

By Dr Kenneth Cortsen

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Introduction

The purpose of this contribution is to provide some guidelines and cases that can inspire stakeholders of sports such as sport managers, coaches, corporations, politicians and so on to establish interdisciplinary partnerships based on corporate social responsibility (CSR) that can benefit participation in sports and its derived advantages, e.g. stimulating physical activity and a good work-life balance in society and among different organizational settings. This is based on a methodology characterized by case-studies (Hamel, 1993; Stake, 1994; Maaløe, 2002; Amis, 2005; Yin, 2008) and the meta-theory of symbolic interactionism (Mead, 1934; Blumer, 1986).

The focal points of this section is the convergence between sports and CSR and how the concepts of sports and CSR are applied as strategic tools to build interesting cases within this context. CSR is applied as ‘strategic CSR’, which goes beyond idealism and incorporates economic rationales and strategic management. McElhaney’s (2008, p. 5) definition of strategic CSR is pragmatic in this context:

“Strategic corporate social responsibility: a business strategy that is integrated with core business objectives and core competencies of the firm and from the outset is designed to create business value and positive social change, and is embedded in day-to-day business culture and operations.”

(McElhaney, 2008, p. 5.)

By applying strategic CSR when striving to boost sport participation, physical activity and a good work-life balance, organizations find a potent communication and branding tool (also effective in internal brand communication) that is useful in creating business value. The concept ‘commercial idealism’ (Cortsen, 2014; 2016) is relevant in that matter. The concept is a research-based finding that stress the question “why can’t we allow sports-related organisations1 to portray that there is a cohesion between the idealistic in helping society via sports and the commercial aspect of profiting from it?” (Cortsen, 2014, p. 90). The question is a good path to show a sports-related organisation how to approach CSR-based activities with the intent to positively influence the interconnected features of brand equity, the financial bottom-line and the creation of a good work-life balance.

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1 Sports-related organization is a term that refers to sports entities that have sport as a core function. In my doctoral thesis, the terms sports-related entities and sports-related organizations were used interchangeably. The terms cover sports leagues, sports events, sports clubs, professional sports teams, athletes, sports equipment manufacturers, sports governing bodies, and so on. The terms also cover entities where sport is not a central function, but merely something to be applied as a communication, marketing, branding, sponsorship or promotional platform to create brand equity or ‘added value,’ e.g. DHL and the company’s engagement in running sponsorships.
via sports and physical activity. Consequently, the concept underscores that it is legitimate to operate with a connection between the idealistic and the commercial aspects of the organization due to the fact that organizations cannot afford to be more idealistic that the economic situation tolerates, i.e. if idealistic activities do not have a positive effect on corporate performance there is no sustainability in terms of having money to spend on being idealistic. Organizations bear economic implications so sports-related organizations can benefit from having clear CSR-strategies linked to their activities in terms of sport participation, physical activity and their attempts to provide a good work-life balance.

Case examples

The practical cases in this contribution are concrete examples of Danish organizations (including corporations) that have had success with implementing initiatives in relation to the convergence between sports and strategic CSR. However, the reader(s) should take into consideration that these cases can stimulate processes that are meaningful to include when planning, implementing, and evaluating CSR-based initiatives and partnerships within this context but this process should always be adapted to the reality of a given individual initiative and/or partnership.

a) Establishing strategic CSR in a Danish sports setting

"Sports for all" is a slogan of the National Olympic Committee & Sports Confederation of Denmark (DIF). The slogan encompasses the essential meaning of sports in the Danish society and culture. It covers the broad spectrum of opportunities to be found within the intersection between sports in Denmark and the integration of CSR and more specifically that of strategic CSR.

At the same time, Denmark (e.g. Denmark is the country with the lowest amount of corruption in its public sector) and Danish companies (e.g. Lego, Novo Nordisk, and Carlsberg) score high points in global CSR rankings and CSR practices. Moreover, Denmark is a country with an ‘inclusive labor market’ (Aagaard, 2012; Campbell, 2007; Dansk Industri, 2016; Transparency International, 2016; Reputation Institute, 2016). The aim of the inclusive labor market characterizes the Danish approach to CSR and has two key cornerstones: 1) retention and 2) integration (Djurøe & Neergaard, 2010). The purpose of retention is to retain employees as part of the labor force although these employees may find it difficult to perform their normal and previous tasks due to various factors, e.g. age, illness, degeneration and physical or mental disabilities. Integration has to do with integrating new groups (that may have been out of employment for years for various reasons) of employees on the labor market. Companies should pay attention to the role of sports in exploiting these opportunities. Sport demonstrates the ability to build brand equity by means of strategic communication and actions and it allows room for strategic CSR (Zadek, 2004; Skinner, 2010) in the formation of strong interdisciplinary partnerships with the potential of creating good impact for the respective partners and for society (Cortsen, 2014). There are competitive advantages to be found in applying strategic CSR (Quazi, 2003; Juholin, 2004; Bruch & Walter, 2005; Porter & Kramer, 2006; Van de Ven, 2008).

Hence, DIF’s desire to facilitate sports on the grounds of differences in sporting ability, geography, age, gender and other demographic and psychographic factors creates a positive spill-over effect on how various Danish entities, e.g. schools, NGOs, and corporations, approach sports and how workplaces prioritize the work-life balance. Scholars (Landy & Conte, 2016) point to the fact that a good work-life balance is important in terms of the tradeoff between physical health and mental well-being. For that reason, it is significant that workplaces stress the importance of preventing situations where an overemphasis on work for long periods of time lead to underemphasis on other vital elements of life, e.g. physical activity. Sport is one path to accommodate this challenge. *The interrelationship between sports branding, sports sponsorship and strategic CSR makes sense*
based on the fact that strong sports brands produce emotional reactions that will rub off" (Cortsen, 2014, p. 76) on a partners’s brand since the partners are engaging in ‘hybrid sports branding’ where specific brand values interact (Cortsen, 2013; 2014; 2016). Sport has the capability to lift many positive objectives, e.g. good health, good work-life balance, good integration of employees, and social unity and commitment, so there is a sound basis to invest in this interrelationship.

From the perspective of symbolic interactionism, which guides my research approach and methodology, understanding is to be found within language (Mead, 1934; Blumer, 1986), so the “Sports for All” slogan portrays the strategic direction of DIF while representing the fact that Denmark is a country characterized by a high participation level in sports. (Danmarks Idræts-Forbund, 2000). According to the National Olympic Committee & Sports Confederation of Denmark, approximately 75 % of all children and adolescents participate in sport on a consistent basis as part of their leisure time activities and approximately 50 % of the adult population participate in sport and physical activity (Danmarks Idræts-Forbund, 2016).

The Ministry of Culture is the overall governing body responsible for all sports in Denmark. The organization places sports as an imperative part of the overall cultural sphere. However, the Danish government intervenes to a minimized extent in sports as the structural development of sports in Denmark is founded on the freedom of association, independence, autonomy, joint responsibilities, a strong foothold of volunteers and good democratic values. The law “The Act on Youth and Adult Education” strives to safeguard public and municipal support aimed at leisure time education and local sports activities. Execution takes place through financial grants to sports activities and rental access to indoor and outdoor facilities to accommodate perennial sports participation. As a supplement to these financial grants, local clubs are funded by membership fees, which are generally kept at a low rate. Sports like football, handball, badminton, and table tennis are to be found in the lower price range whereas golf is to be found in the other extreme of the price range. (Danmark Idræts-Forbund, 2016).

To complement the work of DIF and other Danish sports governing bodies and sports organizations, the Danish Association of Company Sport (DFIF) provides and structures sports activities for companies in Denmark with the aim of encouraging workplaces to participate in and promote sports and healthy activities leading to higher levels of well-being in workplaces (Dansk Firmaidrætsforbund, 2016). Correspondingly, this work has influenced corporate decision-making positively when it comes to the convergence between sports and CSR.

Thus, Denmark is a nation in which there is good access to sports participation and sport is a high priority whether it is on personal, corporate, governmental and public agendas. This position includes the role of CSR as sport acts as a motivational platform to engage in CSR-activities at the individual or organizational level. For that reason, this contribution provides inspirational and motivational factors to participate in more CSR-partnerships that can benefit sports, workplaces and society while facilitating a positive outcome for all involved stakeholders in these partnerships. For instance, DFIF offers a health certification for companies working strategically to promote and improve health in the workplace. The product offering includes focus on nutrition, smoking, alcohol, stress management, physical activity and sport aimed at improving corporate performance via healthier employees, better effectiveness, enhanced job satisfaction and a stronger corporate spirit (Dansk Firmaidrætsforbund, 2016). The example portrays that sport can lift challenges in scenarios where other platforms in society face difficulties, i.e. health concerns, integration, and social bonding (Babiak & Sheth, 2009; Bradish & Cronin, 2009; Kent & Walker, 2009; Skinner, 2010).

This contribution suggests that access to sports in Denmark is good and provided by a wide variety of stakeholders and that there are several opportunities when it comes to profiting from participation in CSR-based

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2 DFIF is the third largest sports organization in Denmark after DIF and the Danish Gymnastics and Sports Association (DGI). DFIF has more than 370,000 members and 80 local company sports associations spread around the country (Dansk Firmaidrætsforbund, 2016).
initiatives and partnerships within this context. However, some organizations have not yet reached a conscious level of competences to exploit these opportunities. In the following section, there are some examples of opportunities that may inspire to change this reality.

b) Eir Soccer & the Global Goals World Cup

Babiak and Wolfe (2006) have examined sport from a CSR and event perspective. They argue that sport events offer involved stakeholders (e.g. corporate sponsors) the opportunity to display goodwill in relation to CSR via engagement in societal initiatives and by assisting the local community and other stakeholders in lifting these tasks (O'Reilly et al., 2009). The Danish NGO Eir Soccer has implemented a prominent Danish example. The organization's strategic foundation is based on establishing a global arena for women, despite their age and cultural background, to experience the pure happiness of participating in the game of football/soccer while witnessing the important relevance of influencing the world in a positive way. Therefore, Eir Soccer partnered with the United Nations Development Programme and other partners, e.g. the Danish Football Association and corporate sponsors and founded the Global Goals World Cup. The city of Copenhagen hosted the 'pilot tournament' in May, 2016 and the finals took place in New York City in September, 2016 in association with the United Nations General Assembly with appearance from the ‘C40 Cities’. The objective is that the ‘C40 Cities’ will host their own qualifying rounds for the 2017 Global Goals World Cup (Eir Soccer, 2016).

The tournament activates women globally to participate in a committed promotion of the 17 Global Goals for sustainable development set by the United Nations. The event mobilizes positive effort in that direction through sport (football/soccer) and it gives women the opportunity to join this CSR-based initiative by participating with a team of female football/soccer players while selecting one of the 17 goals to promote. The aspiration of the event is to shape a global population of Global Goals ambassadors and players in order to add to the sustainability of the Global Goals World Cup (GGWCUP, 2016).

Danfoss is a sponsor of the event and one of the Danish companies that joined the tournament. Danfoss exemplifies what the combination of sport, physical activity and CSR means for the corporate agenda in Denmark. Danfoss formed a team of 16 female employees for the tournament and had four training sessions under guidance of the company’s HR department prior to the event in Copenhagen in May. The involvement from the HR department was based on real football/soccer coaching experience, as the Danfoss Vice President Birgitte Ladefoged is former coach for the female Danish U21 national team. The company also built a sense of unity for the event by filling a bus, which transported the team and other employees to the event to support the team. The Danfoss team supported goal no. 7: affordable and clean energy (Danfoss, 2016). This example reflects how a leading Danish company like Danfoss can benefit from sport and physical activity while engaging in an appropriate CSR-based activity that

Danfoss employees participate in the Global Goals World Cup (Photo: Emil Lyders)

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3 “C40 is a network of the world’s megacities committed to addressing climate change. C40 supports cities to collaborate effectively, share knowledge and drive meaningful, measurable and sustainable action on climate change” (C40, 2016).
presents a good strategic match with the objectives, values and positioning of Danfoss. At the same time, it mirrors a good way to boost employee pride, commitment, and well-being via sport and strategic considerations about CSR. It acts as a fine case in terms of blending the well-being of employees through the authentic social and physical interactions found in football/soccer with the benefits of CSR, HR and branding all encompassed in this sport event. Concerning the measurement of success for CSR-based activities, it is a difficult process (McElhaney, 2008), but organizations like Danfoss are often capable of measuring the internal part of the process, e.g. the numbers of sick days for employees, which may be a strong narrative regarding the well-being of employees.

c) Hummel & ‘Change the World through Sport’

Scholars (Davies, 2002; McElhaney, 2008) emphasize that sports-related organizations (including those applying sport as a marketing platform) should be active and visible in relation to playing a role in global, national, regional and local responsibilities, e.g. within health and physical activity. For instance, these organizations should consider their social involvement (Smith & Westerbeek, 2007). All stakeholders should have this ‘utilitarian principle’ in mind⁴. Persson (2008) states that CSR and the state sport policy in Denmark influence the Danish social policy agenda and deliver an incentive to increase social capital. As part of this agenda, there is focus on the promotion of health and social integration aspects (Ibsen, 2006). The work of Persson (2008) and Putnam (2007) advise that CSR-based involvement from the business world is a fundamental factor in the progress of Danish sport policy and the creation of meaningful social capital.

The Danish sportswear company Hummel marks a Danish example of how corporations in Denmark engage in CSR-based initiatives to produce enhanced social capital and well-being. Hummel is cognitive and strategic about the selection of its CSR engagements. The vital foundations in the company’s decision-making process is to join activities to be found in the crossroads between employee pride and commitment, the courage of taking a stand in terms of CSR, to make a positive difference in society and to solve a problem by means of the expert knowledge associated with the company’s core competencies. The mission of Hummel, which is labeled ‘Change the World through Sport’, covers the meaning found when applying these objectives. Hummel has been a proud sponsor of the Afghan men’s and women’s national football/soccer teams. The introduction of the new national team shirt for the women’s national team stems from an inquiry made by one of the team’s female players and the corporate decision made on that behalf is a vitalization of the mission to ‘Change the World through Sport’. It marks a historic step to offer the Afghan female players a sports hijab, which features an incorporated hijab in a baselayer kit, which empowers these female players to play football/soccer while being enclosed from head to toe (Hummel, 2016).

⁴ ‘The Utilitarian Principle’ infers the meaning of ‘the greatest good for the greatest number of people’ (Frederick, 2002). The actions of these organizations should create well-being for as many people as possible.
The activation of this powerful narrative concentrates on the former captain of the Afghan women’s national team, Khalida Popal. The former captain has featured in more than 20 games for the Afghan national team before leaving the country to safeguard her prolonged safety. Popal is one of the most influential players in the female game in Afghanistan but she had to end her career due to a knee injury. She has engaged in a partnership with Hummel and the Afghanistan Football Association to develop the new shirt. This partnership illustrates Hummel’s counterbalanced and CSR-based approach to football/soccer sponsorships. The Danish brand does not sponsor the most exclusive teams but selects sponsorships on the premises of executing inspirational narratives and reflecting sound CSR values and employee commitment and pride (Hummel, 2016). The Afghan national team sponsorship and former sponsorship initiatives, e.g. the brand’s sponsorship of the Tibetan national team, mirror positive identification from internal and external stakeholders. Employees may be inspired by the hybrid essence of Hummel’s brand building seen in the corporate brand building which is guided and lifted by the commercial partnerships around its products, cf. the Tibetan national team jersey and strong personal brands like Bono from U2, who wore the jersey (Cortsen, 2014; 2016). It is difficult to evaluate the triumph of CSR-initiatives (McElhaney, 2008) but it may be a path to assess the internal and external sides (Hatch & Schultz, 2008; Lee & Cornwall, 2011) and comprehend the strength of alignment between an internal element like brand integration and an external element like brand associations. Research findings (Cortsen, 2014; 2016) suggest that participating in brand building through sport often is related to pride, i.e. the pride of sponsoring something that includes or underscores CSR.

This strategy motivates employees and other stakeholders, i.e. investors, suppliers, consumers, and the community to absorb the positive meanings of sports, to participate in sports and to work for their individual well-being and a positive corporate culture. This is in alignment with the research findings of Smith and Westerbeek (2007) that sport delivers a channel across social and monetary gaps and an occasion to upgrade the standard of life, and a motivation to inspire big and moneymaking organizations to distribute a portion of their wealth. These scholars state the following:

“Nelson Mandela’s averment that sport can change the world holds much ideological sway, supported by reports from the United Nations Inter-agency Task Force on Sport for Development and Peace, which articulated a strategy for sport’s contribution to peace, political stability and health.”

(Smith & Westerbeek, 2007, p. 44).

Accordingly, sport has the power to teach important life lessons and to influence society and groups of people and individuals positively. The Hummel case is another Danish example of how the growing tendency of CSR in sports is applied to capitalize on the relationship with various external and internal stakeholder groups, i.e. employees, consumers, and business partners, in the work to promote sport and physical activities.

d) DHL & ‘DHL Stafetten’

A third Danish case that serves as a strong narrative when it comes to the intersection between sport, CSR and the stimulating approach to promote physical activity and well-being in workplaces is the running event DHL Stafetten. This event is a gigantic corporate-based relay running event with participants from thousands of organizations ranging from governmental organizations to private corporations. This year, the event had more than 200,000 participants (DHL Stafetten, 2016). So, DHL Stafetten has grown to become a recreational running event with great reach. From a commercial angle, the event is subject of relevance in terms of sponsorship outcomes like exposure, network and CSR. Being the company behind the event, DHL and its partners (e.g. local athletic clubs) found significant meaning in hitting the popular trends of running and of being health concerned. The event has transformed running from being rather monotonous to a type of exercise that is fun, healthy, evocative and filled with a sense of community. Given these characteristics, the event produces perfect
conditions for individuals and organizations to uphold and promote good health, an outdoor company party and shared determination to achieve goals. This is unfolded in an engaging and involving way. Participants can help to nourish the event via creative bits, e.g. dressing up in a themed way. Therefore, the event constructs a self-reinforcing effect where sport, physical activity, urban space, nature and the advantages of the experience economy go hand in hand (Pine & Gilmore, 1999; Boswijk et al., 2007; Sundbo & Darmer, 2008) while participating organizations and individuals are drawn into a developing and meaningful community across competencies and hierarchical boundaries. Taking part in and contributing to the comprehensive experience in differentiated ways are centrals factors. For DHL, the event sponsorship reproduces a dialogical partnership where the involved parties invest money, human resources and knowledge in generating a positive association with this recreational running event and its tangible and intangible benefits.

The association between DHL and the DHL Stafetten is very effective because the partnership has evolved over a long-term time period (Urriolagotxa & Planellas, 2007). In the postmodern era with critical stakeholders, the sponsors often profit from the long-term engagement as the consumers may have a tendency to question a sponsor’s motives in relation to short-term sponsorship activities. DHL’s long-term engagement in the DHL Stafetten and the positive values associated with the event fabricate a positive derived impact on the company’s trustworthiness and authenticity. These sustained investments in the event have assisted in producing strong brand equity concerning the event, which emphasizes the sound strategic fit between the running event and DHL’s strategic foundation of delivering goods from ‘a to b’ with high quality. In that sense, the strategic fit signals that quality is essential and that the human resources work as an irreplaceable and vital asset worthy of positive attention. The main purpose for including this case in this contribution is that it is an exemplification of the inclusive Danish sports values and a showcase of the fact that Danish companies are part of that cultural DNA and thus prioritize sports participation, physical activity and a healthy work-life balance. At the same time, the example shows that culture is about relations and cohesion and that the overall Danish sports culture stimulates organizational relations and cohesion in terms of sports and physical activity. Culture is defined by what people think, say and do and the relations and the cohesion between organizations and people shaped by social interactions lead to learning, new experiences and positive development in this context (Wenger, 1998).

Concluding remarks

There is an increased commercial and societal focus on sports and health and the synergetic effects to be found in this framework (Slack, 2004; Carter, 2010; Miloch, 2010; Cortsen 2013; 2014). Therefore, Denmark experience an increased attention on the production of knowledge, tools and business models aimed at enhancing the continued positive development of the junction between sport participation, physical activity and a good work-life balance under the umbrella of strategic CSR.

In Denmark, strategic CSR in association with sports holds much potential given its role to solve individual and societal challenges as a response to public grants and reduced public subsidies to sports, cf. the latter is a derived result from the liberalization of betting laws in Denmark (IDAN, 2016). To fully exploit the ROI potential of these strategic CSR-based initiatives in this context, articulation is indispensable. The established partnerships striving to achieve the objectives of these CSR-based activities should incorporate CSR strategies that are articulated clearly and transparently while strategically considering the central points of ‘commercial idealism.’ If the partnerships are affected by a strong corporate spirit (Deetz et al., 1999) and thus matched with employee pride and positive emotional equity (and thereby positive emotional affection and identification), ‘commercial idealism’ is a strong force to create positive change. This is founded on the premise that the application of the partnerships directed by strategic CSR offers a substance to ensure the sustainability of positive CSR-related participation in sports and physical activities (Cortsen, 2016). That can influence the work-life balance positively.
‘Commercial idealism’ may also work as a kick-starting platform (underlining the meaning of CSR-strategies) for the progress of more authentic, legitimate and commercial advantages. The concept of ‘commercial idealism’ is a powerful tool to produce bearable CSR-related partnerships linked to for instance sports sponsorships and sports branding projects on a continuous basis. It suggests that organizations consider the balance between commercialization and idealism, which is a true ‘strategic CSR’ relation. The concept is noteworthy in that there are pragmatic constraints in terms of how idealistic moneymaking organizations can be when bearing their foundation in profitability in mind. My research points to the fact that the articulation, knowledge and understanding of this concept is central in this context. To quote one of the respondents (representing the Danish beer brand Carlsberg) from this research, “CSR in sports has come to stay; that’s for sure. We have the potential and chance to help shape this debate. At the moment, we are negotiating with Liverpool FC (among others) and one of our objectives is not more tickets but merely to support a good cause, which we can utilize in our work” (Cortsen, 2016, p. 111). To summarize, there are advantages associated with enhanced corporate performance if these CSR-based partnerships contain a strong interrelationship between ROIs, commercial potential, pride and emotional equity, proper articulation, strategic fit, and a combination of features from professional and amateur sports.
List of references


