Corporate Social Responsibility and Intellectual Capital in Sports and Leisure: The case of a Golf Club

Francesca Dal Mas¹, William Jupp², Maurizio Massaro³, Carlo Bagnoli¹ and Giuseppe Roberto Marseglia³

¹Department of Management, Ca' Foscari University, Venice, Italy
²Department of Management, Lincoln International Business School, University of Lincoln, Lincoln, UK
³Department of Civil Engineering and Architecture, University of Pavia, Pavia, Italy

francesca.dalmas@unive.it
16663608@students.lincoln.ac.uk
maurizio.massaro@unive.it
bagnoli@unive.it
groberto.marseglia@gmail.com

Abstract: Golf is becoming an increasingly popular sport, and golf clubs have, therefore, a growing social and environmental impact, with several stakeholders engaged in the activities. While the press and the media have reported countless initiatives conducted by golf clubs worldwide that highlight how environmentally and socially conscious and supportive the golf industry is, little has been said in academia. The paper aims to investigate the topic of Corporate Social Responsibility (CSR) in golf clubs, and how golf clubs' Intellectual Capital (IC) may foster CSR initiatives. The paper employs a case study methodology, analyzing one Golf Club in the United Kingdom, using semi-structured interviews. Results underline the great potential of the relationship between the clubs and their stakeholders, especially the customers, to create an influential cycle of CSR in the local communities. Relational capital stands as a central IC element to foster CSR in golf clubs. Moreover, findings highlight the need to develop new business models that can merge the need to be compliant with a strong CSR philosophy ensuring, at the same time, financial sustainability. The paper is one of the firsts to investigate an increasingly popular sport which CSR can be fostered by relational capital, with a relevant impact on its customers, employees, and communities.

Keywords: Sports and leisure • Golf • Intellectual Capital • Relational Capital • Corporate Social Responsibility Initiatives • Clubs

1. Introduction

Golf stands today as one of the most popular sports. At the end of 2018, there were 38,864 golf courses in 209 of the world’s 249 countries, with a global diffusion rate for the sport of 84 per cent. With golf becoming an increasingly popular sport, these golf clubs’ impacts on social and environmental matters are growing.

Therefore, Corporate Social Responsibility (CSR) is particularly important for golf clubs to demonstrate the social value golf brings to society, whether it be demonstrating responsibility to the wider community or being environmentally responsible (Golf Business International, 2021). Golf clubs have shown they can positively impact the surrounding environment by playing a role in protecting local biodiversity and natural resources and providing a good living environment to local residents (Hammond and Hudson, 2007). Still, their contributions to the environment and society have not been studied in depth yet.

Today, organizations of all industries have a fundamental responsibility to act in a manner that positively contributes to their stakeholders and the communities in which they exist (Reynolds et al., 2018; Vuorio et al., 2018). Companies’ Intellectual Capital (IC) as seen in its fifth stage, embraces a wider dimension of worth, which includes sustainability (Dal Mas, 2019; Edvinsson et al., 2022; Massaro et al., 2018). These dynamics are important also for companies active in the sports and leisure business (Ratten and Babiak, 2010). CSR principles are core standards that motivate organisational decision-making, behaviours, and actions (Malbašić et al., 2015; Vallaster et al., 2019). An organisation’s ability to engage in their CSR’s are affected by several factors. Moreover, businesses not only have the responsibility of producing profit, but they must go beyond that and provide a lasting benefit for both their company and the larger community where they are located (Sheth and Babiak, 2010; Trendafoiva et al., 2017).

CSR has become a prevalent expectation of society, and so the focus lies with organisations to fulfil them. This is where golf clubs can offer the opportunity to create an influential cycle of CSR across society, leveraging on their intellectual resources. Due to golf being considered a recreational activity, customers perceive golf clubs in a more personable light compared to larger, corporate organisations. So, the emphasis lies on golf clubs to
create an influential relationship between them and society and hopefully implement a more significant concern for these CSR matters.

Starting from these premises, the article aims to deepen the CSR dynamics in golf clubs and how IC can contribute to them, employing a single case study.

2. Literature review

The topics of sustainability and CSR in the sports and leisure fields are pretty recent, as most contributions started to be developed after 2009 (Sheth and Babiak, 2010). Filizöz and Pişne (2011) have identified a shift from CSR efforts within a corporate context into the context of sports organisations. Upon further investigation, the implementation of CSR can be a significant strategy for teams and clubs to adopt, as it enables the teams and the communities in which they play, many benefits (Breitbarth and Harris, 2008), whether it be brand exposure or creating an emotional link with consumers. Furthermore, there is a vast array of literature that has identified the impacts CSR initiatives have on the financial performance of professional teams (as organisations), in addition to how society perceives the sporting sector differently in terms of CSR (Godfrey, 2009; Moyo et al., 2020). Reporting initiatives appear relevant to engage the stakeholders towards CSR-related actions (Hickman and Cote, 2019).

A large part of the CSR in sports and leisure literature underlines the aspects related to philanthropic initiatives and charity, meaning giving donations of money, time and/or knowledge into the social sector. Indeed, it emerges how society is more willing to donate money to support sports teams’ causes, due to perceiving them as capable of helping the cause (Giulianotti, 2015; Inoue et al., 2013). Because sports teams can be perceived as non-corporate and therefore not-for-profit, in some cases, donors may feel a greater incentive for donating. This may be due to the donor believing that the cause is more genuine, and so their philanthropic acts may have an increased chance of inducing a positive impact, as opposed to donating to a corporate organisation where the donations may be used in an unethical or for-profit manner (Uhlig et al., 2020). Therefore, charity and philanthropic initiatives represent one of the major topics when analyzing CSR in sports (Anagnostopoulos et al., 2017; Hwang et al., 2020; Ratten and Babiak, 2010; Tainsky and Babiak, 2011; Yang and Babiak, 2021).

For sports and leisure organizations, philanthropy has the intention of giving back to wider society, which in turn has knock-on advantages to the organisation. In this perspective, CSR-related initiatives have the clear intention of benefitting not only the wider society (externally) but also the business itself (internally) (Yang and Babiak, 2021). Still, there is a high level of societal expectations for CSR evolving in a way such that companies are urged to be part of positive social/environmental change in their actual business practices rather than being limited to backing external causes (Kim and Austin, 2020). There has been a clear change in society’s expectations as they shift from acts of corporate philanthropy to a greater focus on improving actual business practices (CSR) whilst still maintaining these concerns for philanthropic activities.

In such a perspective, sustainability and CSR seem to fit the research stream of the fifth stage of IC (Edvinsson et al., 2022; Massaro et al., 2018), which sees the need for organisations to go beyond the concept of economic value for the company itself to embrace a vision of worth, which includes the need to provide a vast number of stakeholders with sustainability achievements. Organisations of all kinds have so the ethical duty to ensure that sustainability is considered in the business. Human capital, relational capital, and structural capital resources should all contribute to this aim.

However, a financial perspective often emerges, as the literature highlights the need to find enough resources to run the business first, before engaging in sustainability and CSR-related activities (Kang and Wood, 1995). In sports, while bigger clubs and organisations have the financial power of carrying on comprehensive CSR and philanthropic initiatives, also thanks to the vast number of fans, sponsors, and partners worldwide (Anagnostopoulos et al., 2017; Yang and Babiak, 2021), smaller companies often struggle to run their everyday business and generate profits (Wagner-Tsukamoto, 2019).

Shifting from the corporate side of social responsibility within the sporting sector to literature-based specific to CSR in golf clubs, it emerges as there are very few contributions regarding CSR within golf clubs. Over time, there have been many philanthropic ventures taken by golf clubs and non-profit golf organisations across the world (International Golf Federation, 2021). Regarding social responsibility, the press and the media report many cases
of charity fundraising within the golfing sector as well (Children with Cancer UK, 2021; Save the Children, 2021). Golf Foundation (2021) has also been offering many opportunities for the surrounding communities.

The evidence provided by these golf-related organisations suggests that CSR in golf is a very prevalent matter to explore. Since there appears to be an abundance of practical cases exploring CSR within the golf industry, yet a lack of literature discussing CSR in golf clubs themselves and how IC can contribute to it, there seems to be a knowledge gap that requires further exploration.

3. Methodology

In order to appropriately investigate the research question, a qualitative case study approach has been applied. Qualitative research includes representing the views and perspectives of the participants in a study, in addition to explicitly attending to and accounting for real-world contextual conditions (Yin, 2014). According to Silverman (2013) qualitative interviews provide access to social worlds as evidence both of what happens within them and how individuals make sense of themselves, their experiences, and their place within these social worlds. Literature by Ebneyamini and Sadeghi Moghadam (2018, p. 4) has highlighted how a case study methodology is appropriate when aiming to answer ‘how and why?’ questions. To ensure clarity of the research conditions and the gathering of data and analysis procedures, the following sections explore the research context and the data collection and analysis processes (Massaro et al., 2019).

The case study is about a best golf course in Kent. The club has an estimated total of 852 members, which reaches a total of 38,000-42,000 rounds played per year by non-members and members. The club also hosts a region of 300 golf days of various sizes, 20 club matches, and 50 non-golf functions.

The collection of data were structured around various internal stakeholders representing different hierarchical levels of the Golf Club. Potential candidates were contacted via email by one of the investigators (WJ).

Seven semi-structured interviews were carried out via online calls due to the social distancing requirements of the COVID-19 pandemic (Massaro et al., 2021; WHO, 2019) to generate results for the study, as reported in Table 1.

**Table 1: Data collection process**

<table>
<thead>
<tr>
<th>Methodology</th>
<th>Object</th>
</tr>
</thead>
<tbody>
<tr>
<td>Semi-structured Interviews</td>
<td>One Membership Manager</td>
</tr>
<tr>
<td></td>
<td>One General Manager</td>
</tr>
<tr>
<td></td>
<td>One Bar Assistant</td>
</tr>
<tr>
<td></td>
<td>One Head Greenkeeper</td>
</tr>
<tr>
<td></td>
<td>One Front of House Manager</td>
</tr>
<tr>
<td></td>
<td>Two Team Leaders</td>
</tr>
<tr>
<td>Qualitative and Content Analysis</td>
<td>The Golf Club’s official website</td>
</tr>
</tbody>
</table>

These interviews consisted of twelve questions gathered from the literature, particularly from studies about CSR following the same methodology (Hickman and Cote, 2019; Moyo et al., 2020). The interviews took place between the period of February 2021 – March 2021. Additional information that has been made public via the golf club’s website was utilised for data analysis. The questions for the semi-structured interviews are reported in Table 2.

**Table 2: Research protocol and semi-structured interview questions**

<table>
<thead>
<tr>
<th>#</th>
<th>Question</th>
<th>Possible Answers</th>
<th>Related Authors</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Do relevant do you think CSR is in golf clubs?</td>
<td>A Likert five-point scale where 1 = extremely relevant 5 = not at all relevant</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Why?</td>
<td>OPEN QUESTION</td>
<td></td>
</tr>
</tbody>
</table>
4. Findings

Table 3 reports the analysis of the common trends and themes that participants provided while answering the questions.

**Table 3: Analysis of Common Themes**

<table>
<thead>
<tr>
<th>#</th>
<th>Interview Question</th>
<th>Common Theme</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>How relevant do you think CSR is in golf clubs?</td>
<td>All respondents perceived CSR in golf clubs to be either very relevant or extremely relevant</td>
</tr>
<tr>
<td>4</td>
<td>What CSR initiatives has your organisation engaged in?</td>
<td>All respondents were aware about a specific initiative; however, some could not provide any more than that</td>
</tr>
<tr>
<td>5</td>
<td>How do leadership, policy, and economics affect your organisation’s CSR activities?</td>
<td>All respondents recognised economic factors for having the most significant effect on the clubs CSR activities</td>
</tr>
<tr>
<td>6</td>
<td>Would you consider your organization to be reactive or proactive in CSR policy making?</td>
<td>The club was proactive in CSR policy-making</td>
</tr>
<tr>
<td>8</td>
<td>Has the perspective of management continued to be an important influence on the firm’s CSR activities?</td>
<td>The perspective of management was considered to have a very important influence on the clubs CSR activities</td>
</tr>
<tr>
<td>10</td>
<td>How would you describe your organization’s CSR strategy?</td>
<td>The golf clubs CSR strategies were good whilst continuously improving</td>
</tr>
<tr>
<td>11</td>
<td>Do your organization’s current CSR policies support or conflict with its prevailing business practices; that is, do the daily decisions, practices, and activities support its CSR policies?</td>
<td>More than half of the respondents believed that the clubs current CSR policies supported its prevailing business practices. Those who adopted a contrasting viewpoint were either not knowledgeable of the clubs CSR policies, or that some areas were supporting and other areas not.</td>
</tr>
</tbody>
</table>

All interviewees selected CSR as either very relevant or extremely relevant in golf clubs. After being asked why they had adopted this viewpoint, three groups appeared. The first group of respondents presented a concern for the golf clubs impact on its surrounding environment. The second group represented that CSR should be
relevant in all business types, regardless of how much impact they have or do not have on the environment. The third group stressed the importance of supporting the local community.

Regarding the awareness of the CSR initiatives that the golf club had taken part in, four participants could only recount one specific episode, with three respondents being able to provide further examples of CSR-dedicated actions.

The three respondents that provided more than one example of CSR initiatives were in other departments of the organization, whereas the four participants that could not provide any further examples were all from the same department. They gave the reasoning that they had not been made aware of any other initiatives by the club. The three that were able to identify more than one initiative were all in positions of management and had provided extensive examples of past CSR actions.

The perceived effect that leadership, policy, and economics have on the golf club’s CSR activities were measured using a word cloud, enabling the selection of the most prominent words that were used by respondents to identify the perceived effect that the above factors have on the club’s CSR activities. The font sizes of the text dimension are proportional and depict frequencies of the occurrences in question five of the interview. The highest frequency words reported by respondents were “financial,” “cost,” and “economics.”

The highest frequency words clearly indicate that economic factors affect the club’s CSR initiatives the most. Six respondents also highlighted how top management had a significant influence on such activities, providing why they were the ultimate deciding factor for whether such actions were to be engaged with.

Five participants indicated that their organisation was proactive in CSR policy-making. Out of the remaining employees, one believed their organisation to be reactive, and the other specified that their organization was both reactive and proactive.

Four participants indicated that the golf club were organically proactive in CSR policy-making and that they were subconsciously creating CRS policies. Furthermore, one believed that due to the club being affiliated to the castle, the influences for such policies and practices to be proactive originate from the castle itself, and so the golf club merely follows its directive. Another respondent indicated that the club was both reactive and proactive because, at the time, the club was going through a transition phase from reactive to becoming more proactive in its CSR policy-making. The remaining participant identified the club as reactive, as they believed that the club would wait for the instance to occur and then took action to enforce such policies.

The respondents were asked how important management’s influence was on the club’s CSR activities. Two participants considered management to have an ‘extremely important’ influence, while one participant recognised their influence as being very important, and the rest of the respondents selected somewhat important.

The one respondent that selected very important as opposed to extremely important was due to the mid-level managers not receiving exact directives from top management. However, the respondent also added that there was a form of communication between the two hierarchies and therefore their influence was still considered very important. The two participants that chose extremely important believed that the influence to engage in such activities solely originated from top management and that it slowly diffused down the hierarchical levels of the organisation. The remaining respondents believed management’s influence to be somewhat important due to being the decisive body of the business, and that factors such as economics were regarded higher than pursuing CSR.

For question ten, the participants were asked to describe the golf club’s CSR strategy. To analyse the results for this question, a word cloud technique was adopted to identify how the employees perceived their organization’s strategies for CSR. Six out of seven respondents believed their club’s CSR strategy to be effective and going in a positive direction. The remaining participant concluded that the club’s strategies were poor, due to not being informed of such strategies. Two of the six interviewees had stated that they had not directly been informed about the golf clubs’ strategies towards CSR, despite this fact, they still believed the organisation’s approach to be good.
Four respondents believed that the club’s policies were supporting its prevailing practices, while two were unsure. The remaining participant thought that they were conflicting.

The one respondent that believed the club’s prevailing practices and current policies were conflicting with one another was due to not being informed about what the club’s policies were. Therefore, it was probably more appropriate to choose conflict over support as it resembled weak CSR practice. The two that had chosen unsure, decided that some areas of the club’s policies were supporting their prevailing practices and that other areas were not, so they could not come to a fair judgement. Of the remaining four participants, one thought that they must support each other as it is essential for smaller organisations to do so. One respondent felt that because they were made aware of the club’s practices and had been actively involved with them, the clubs’ practices were surely supporting its prevailing policies. Another individual adopted the opinion that the club had always adhered to being ethically correct in all its practices, and so, the club practices would always be in line with its policies. A certain participant adopted the supporting viewpoint because the top management was always maintaining a strong brand image, and so their practices would always be aligned with its policies to develop the club’s reputation.

5. Discussion

The frequency of specific words has highlighted a correlation between the literature and the answers provided, stressing the importance of holding a greater concern for profitability over any other factor, so that the club can survive. From the answers, each respondent identified the clear importance of financial support and the effect it has on the golf club’s ability to engage in its CSRs.

On the other hand, literature has also evaluated how by placing economic responsibilities before ethical and legal responsibilities, the latter components may not be considered. The results finalised with most of the participants being able to recount only one CSR initiative and only few being able to identify more than one. The club values economic factors over CSR activities i.e., ethical responsibilities. Hence why most of the respondents were only able to identify one CSR initiative, as the club holds a greater concern for economic factors. Considering all CSR actions, which range from preserving the natural environment and support society, charity ones are widely known and recognized by all the participants, stressing, one more time, the link between sports and recreational fields and philanthropy (Ratten and Babiak, 2010; Tainsky and Babiak, 2011).

Numerous studies have provided reasoning as to why a greater concern for economic responsibilities, as opposed to legal and ethical ones, will be more beneficial for the survival of organisations. A recent work by Wagner-Tsukamoto (2019) suggests that the economic responsibilities of any business should be a pressing matter and that legal and ethical ones are merely subsidiaries to any financial concerns. Without holding a greater concern for economic responsibilities, the other commitments will not be able to be fulfilled. The results from the golf club were able to confirm its utmost importance of finance and how, by achieving this fundamental dimension, other responsibilities can be fulfilled. The golf club has clear intentions of improving its engagement with CSR activities. However, without fulfilling the fundamental dimension of economics, the golf club is unable to pursue these acts of CSR. The economic factor holds the most crucial impact upon the golf club and can ultimately have a knock-on effect on how it can accomplish the ethical, legal, and philanthropic dimensions.

The contrast between the interest in engaging with CSR practices, and the need to fulfil the pure financial dimension first, can find a solution only when trying to cope with the identification of a new business model (Bagnoli et al., 2018; Osterwalder and Pigneur, 2010), aiming it to be sustainable (Dal Mas et al., 2020). One of the participants declared:

“We can fulfil our environmental and social responsibilities only if we can merge them with our financial perspective. So we need to find a way to be environmentally and socially responsible while still gaining money to support our operations.”

When looking to identify how successfully CSR is implemented into the operations of a business, the literature stated the imperativeness for any socially responsible organisation to be including social and environmental concerns across the entirety of a business. The answers from the interviews directly correlate with the literature. In a question asking whether the golf club’s current CSR policies support or conflict with its prevailing business practices. From the results, most of participants believed the golf club’s policies were in support of its prevailing
practices, with a further 100% of participants being able to identify a minimum of one CSR initiative. Multiple respondents were also able to provide reasoning of how the club actions were corresponding with the literature:

“I am still involved with a few initiatives regarding CSR, which proves to me that we are supporting our CSR policies.”

Greater emphasis was placed on the sense of community and the type of stakeholders involved, highlighting great interest in relational capital. One associate stated:

“Our business is peculiar, as our clients are also members of the club, and important people of the local community. Many of them are wealthy, meaning industry owners and recognized professionals. They often participate actively in the club’s activities and events, especially the philanthropic and charity ones. Engaging them can represent a winning strategy to spread the CSR and philanthropic initiatives of the golf club, and at the same time, enhance the golf club’s brand.”

Another participant stressed:

“When local causes arise, the community is ready to donate. The club is always ready to organize charity events to support such causes.”

Therefore, among all its tangible and intangible resources, it seems clear that relational capital may stand as the most relevant IC element to allow golf clubs to fulfil their potential as socially responsible organisations, able to merge their economic interests along with sustainability ones. It looks crucial to ensure that all stakeholders within the golf club relationship network feel that they are involved in the social and environmental concerns of the club. In such a perspective, employees’ role is vital (Kim et al., 2018; Wu et al., 2020), calling for dedicated practices for human capital.

6. Conclusion

This case study investigated a business within a niche sector. The conclusions were that industries such as leisure, sports, hospitality, and entertainment, especially if small, may lack sufficient resources to engage in CSR activities effectively. Therefore, employing alternative business models that can merge the need to be compliant with a CSR philosophy and, at the same time, ensure financial sustainability appears like the challenge and solution to fulfil the two dimensions, with relational capital being able to support and foster such dynamics.

Indeed, since golf clubs can be considered a unique type of company by falling under the recreational activity umbrella which clients are also members of the local community, they can play a significant role in a certain part of society. This study enables CSR to be seen by society from a different perspective compared to larger, blue-chip companies that use CSR in a more corporate context. This influences clients into the realisation that CSR is not used merely for improving the competitiveness of an organisation, but also as a genuine means for giving back and improving its surroundings, whether it be socially or environmentally, especially to the community to which the club and its initiatives have a direct impact. All in all, the concept of the fifth stage of IC seems to fit well the situation of such types of organisations.

The significance of this lies with the responsibility of golf clubs, and how they are perceived in more personable and trustworthy respects by their relational capital, especially clients and community members. The relational capital between the clubs and their customers can, in turn, create an influential cycle of CSR. Through having this informal relationship with a large demographic of customers, in particular, business professionals of significant wealth, golf clubs hold the opportunity to influence these individuals into having a greater concern for the development of CSR. These professionals can then promote sustainability actions through their enterprises, and in turn, develop the awareness of CSR to wider society. Still, employees play a central role in supporting such dynamics.

The practical implications of this study have highlighted the importance of golf clubs to fulfil their responsibilities of educating and smoothly implementing CSR across the organisation, by leveraging mainly on their relational capital, accompanied by the development of CSR-aware human capital.

It is important to place a particular focus on smoothly incorporating CSR into the day-to-day operations of a golf club, which will enable employees to consider the impacts that CSR can have on the future of this sector and,
ultimately, society. Once this has been achieved, the responsibility of influencing CSR has now shifted to the employees themselves, who can spread the awareness to those they interact with on a regular basis (e.g., clients who are also members of the organization). Once the consumers have adopted the interests of the employees, they can continue to improve the awareness of CSR. Without smoothly incorporating CSR into its operations, employees will feel less obliged to promote the club’s philosophies of CSR and, in turn, will have a limited effect on influencing this philosophy beyond that of the organisation.

References


