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## **SPORT-ORIENTED CORPORATE RESPONSIBILITY**

**Abstract:** Corporate social responsibility is becoming increasingly important in the way companies communicate and operate. One way of doing this through sport-focused actions. In the case of large companies operating in Hungary, we examined the issue through document analysis. For each company, we compared the actions oriented towards own employees, recreational sports and competitive sports. The results show that organizations can make use of the positive benefits of sport. In their operations, sport is present both in the business sponsorship area and in the area of charity.

**Keywords:** corporate responsibility, sponsorship, charity, sport-oriented

### **1. INTRODUCTION**

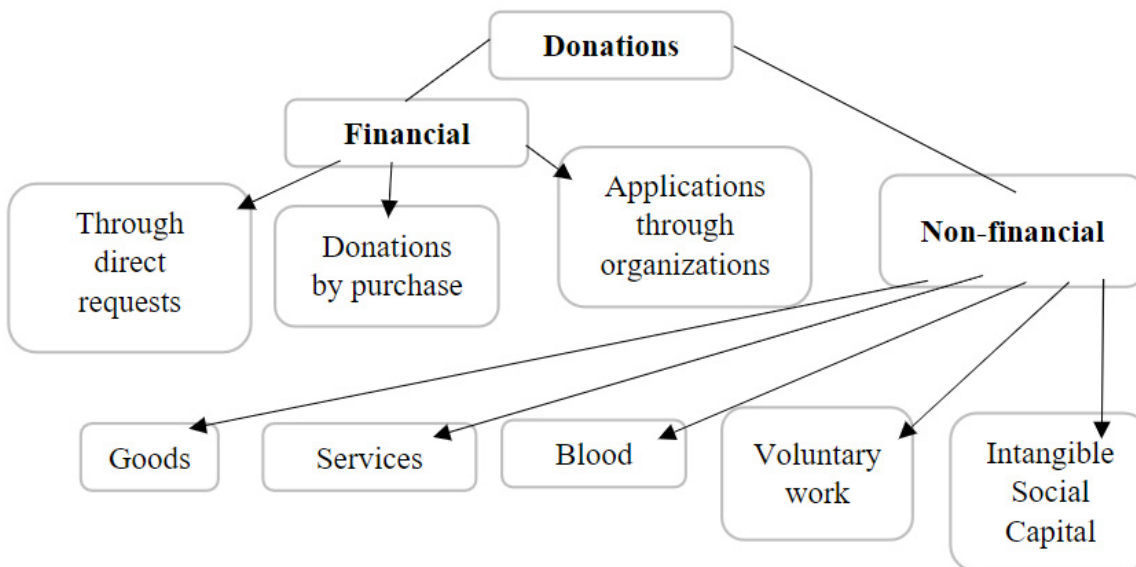
Social responsibility means that companies and other organizations consciously take responsibility for society and their environment. This may include ethical business practices, sustainability, environmental protection, addressing social issues, and community support. Corporate social responsibility can manifest in various forms and aims to promote positive social impacts and support sustainable development. For individuals, social responsibility entails being aware of the impact of their actions on society and actively contributing to the betterment of their community and environment. This could involve actions such as volunteering, charitable giving, ethical consumerism, sustainable living practices, and advocating for social justice issues. Essentially, it means taking responsibility for one's actions and striving to make a positive difference in society. Both individual and corporate responsibility often intertwine with sports events and sports organizations.

In this study we examine the sports-related CSR actions of companies operating in Hungary. The primary objective is to highlight the diversity of different actions. The research questions include the identification of sport-related CSR activities. To identify areas where companies are effectively implementing sport-related CSR activities. The research was carried out using document analysis methods, looking at companies' annual reports and public websites to answer the questions. We also sought answers to the question of the extent to which the corporate sector in a Central and Eastern European country is characterized by this type of action.

In the first part of the paper, the forms of co-responsibility are presented, both at individual and organizational level. It will then approach the topic from the perspective of how the literature addresses the relationship between sport and social responsibility. This will be followed by a presentation of sport-related CSR actions in specific companies.

## 1.1. Individual social responsibility

Volunteering and sponsorship, as well as peer-to-peer fundraising are all subject to individual responsibility. There are two known dimensions of it. One is Self-Personal Responsibility, while the other one being Individual Social Responsibility (Nárai & Reisinger, 2016). The meaning of Self Personal Responsibility is that the citizens take the responsibility for their own life. This includes living a lifestyle appropriate for physical-psychical welfare, tending of family environment, followed by paying attention to such direct environments as family or any other micro-environment. Individual Social Responsibility means stepping out of private personal spheres in order to take responsibility for closer or wider general environment. Social responsibility includes the individual responsibilities of volunteering and sponsorship. In a most general sense, charity means the selfless provision of aid. Charity can be simple volunteering but can also appear in the form of donations offered to groups or individuals in need, as well as to charity organizations (Czike & Kuti, 2006). A volunteer can either work as a “laic helper”, or by using his/her professional knowledge to help the development of certain communities (Nárai, 2012). Donation is a form of support either in financial or non-financial goods, offered for non-government-or non-profit organizations, denominations, public institutions as well as to individuals outside of their family or friendship spheres freely, without remuneration. Donations can be offered either by organizations or by individuals. Types and forms of donations are listed in Picture 1.



1. Picture forms and typed of donations (Arapovics, 2013)

Source: Mária Arapovics (2013): Sponsorship, Volunteering, Social Responsibility in Hungary. Andragogy and Education Theory page 54. 1/1

Individual philanthropy and donation appear in many places. One of the most unique forms of this is peer-to-peer fundraising. In this case, athletes, primarily recreational athletes, participate in a challenge and raise money for a charitable organization of their choice during the challenge. In case of peer-to-peer method, the fundraising is initiated by people committed to the given organization or cause. In this case, the advocates undertake individual challenges, such as running or swimming a certain distance – it can actually be a commitment to any personal, usually physical activity. The act of commitment is actually a communicational opportunity for the campaign. Advocates share the news within their social circles, seeking donations for their chosen organization. Therefore, it's a deeply personal endeavor where credibility and immediacy play crucial roles in fundraising. Its primary advantage lies in its ability to reach numerous new audiences as word of the campaign spreads. (Gösi & Magyar 2019, Gösi & Bukta 2021)

## 1.2. Corporate social responsibility

In recent decades, the role of companies in corporate social responsibility (CSR) has received increased attention from all angles. The concept itself (Corporate Social Responsibility) has been known since the

1970s and some elements of it have become part of everyday life. (Tóth 2021, Magyar – Szalkai 2015) The larger an organization, the greater its impact on its environment, and the greater the social expectations placed on it as it grows. Recognizing this trend, managers have moved CSR-related complementary objectives to the top of the priority list, in addition to profit maximization. These include sustainability efforts, gender equality and the health of colleagues and consumers. In addition, most researchers point to the need for public intervention to put the foundations of social responsibility in place. (Campbell 2007, Galaskiewicz-Burt 1991)

In Hungary, corporate social responsibility (CSR) is still a rarely utilized marketing tool, and companies often commit conceptual errors. Indeed, some organizations don't even leverage this opportunity presented by the 21st century. Conversely, several studies argue (Bevan et al., 2004; Babiak and Trendafilova, 2010) that we are talking about one of the most crucial segments of today's business and political life. The concept of CSR has existed since the 1970s, undergoing significant development over a few decades, with some of its elements becoming part of our daily lives (Deák et al., 2006; Magyar and Szalkai, 2015). „Within the framework of corporate social responsibility, companies voluntarily integrate social and environmental aspects into their business operations beyond their legal obligations and shape their relationships with stakeholders (consumers, employees, suppliers) based on these principles. A consciously formed attitude towards employee rights, anti-corruption, and business ethics differs from a solely profit-oriented approach...” (Deák et al., 2006: 4).

### **1.3.Sport and social responsibility**

The relationship between sports and corporate social responsibility (CSR) is a complex and multifaceted one Ráthonyi-Ódor (2017) and Paramio-Salcines (2013) both highlight the potential for sports to address social issues and the importance of integrating CSR into sports management. Smith (2007) further explores the role of sports as a vehicle for deploying CSR, emphasizing the potential for sports to bridge social and economic gaps. Hakala (2015) provides a practical perspective, discussing the role of sports in Finnish companies' CSR strategies, particularly in enabling sport participation and securing the integrity of sports. These studies collectively underscore the significant potential for sports to contribute to CSR efforts, particularly in addressing social issues and promoting well-being.

Sport and the sports sector are playing an increasingly significant economic role. This is reflected in various European expectations as well. Additionally, sports organizations strive to operate in increasingly modern forms. (Farágó 2024, Farágó & Kézai 2023) In modern societies sports have become an integral, almost substantive part of economy. Its role in society, however, is more complicated than this. Its role of mediating values is present in many scenes. One of the central elements of professional sports is the idea of fair play (Kassay 2017; Kassay 2019). In Hungary, the greatest traditions and popular base of voluntary work are connected to headline sports events. These events mobilize a plethora of young sports advocates (Onyestyák & Kállai, 2013). Among young people, school and University sports are also important areas of voluntary work (Bácsné Bába et. al, 2018). In this case, we can consider friendly atmosphere, love of sports and the opportunity for teamwork as highlighted motivational factors. This manifold complexity is supplemented by various charity sports events and methods of fundraising.

Companies (most of them) do not, of course, support, organize or even finance sports-related activities, athletes and sports organizations as a whole, purely for charitable purposes. Sport as a social phenomenon has an unquestionable power and its impact is felt at global and local level. It is therefore a very important macro- and microeconomic factor. (Nagy et. al. 2014) It shapes human thinking, and the way individuals and groups relate to organizations. And it may be in the interest of corporate management, at many levels, to play its part in this phenomenon, which transcends countries and continents.

## **2. CORPORATE CASE STUDIES ON THE RELATIONSHIP BETWEEN SPORT AND SOCIAL RESPONSIBILITY**

Taking into account several research studies (Smith and Westerbeek, 2007; Filizöz and Fişne, 2011; Trendafilova et al., 2013; Ibrahim and Almarshed, 2014; Ráthonyi-Ódor et al. 2017), there are seven main reasons why the link between sport and social responsibility has become so successful.

- The popularity of sport has enabled it to deliver its message to a wide section of society.
- CSR activities linked to a sports company or athlete are more attractive and interesting to younger generations.
- Sport - CSR can encourage physical activity.
- Sport - CSR promotes and increases social interaction.
- Sport promotes mutual acceptance and integration.
- Sport - CSR can raise awareness of sustainable development.
- Participation in sporting events helps to build well-being.

As can be seen from the above, there are many benefits to be gained when companies combine their CSR activities with sport. Practice shows that there is no difference in the fundamental concept to be implemented between sport and non-sport related CSR activities of companies active in sport. Sport-related activities can be found in both competitive and recreational sport.

## 2.1 Social responsibility of sport enterprises

Tóth's 2021 research compared sport-related organisations in terms of social responsibility. Table 1 shows the comparison. In the case of the two chosen sports companies, Decathlon Hungary distributes sports equipment and sportswear, while Ferencváros Gymnastics Club operates a football team.

**Table 1:** Comparison of sports companies

Characteristics	DECHATLON HUNGARY	FERENCVÁROS GYMNASTICS CLUB (FTC)
<b>Purpose of the company</b>	Community building	Gain competitive advantage
<b>Head of company</b>	Michel Leclercq: „ Make sport accessible to as many people as possible” “franchise operation”	Kubatov Gábor: „It is important for our club to keep in touch with fans. Our CSR activities are very important”
<b>Maturity of company</b>	The company has been operating for 40 years.	It was founded in 1899.
<b>Size of company</b>	More than 400 shops in 30 countries.	Regional market.
<b>CSR program</b>	Bild run, food distribution	Fradi school programme. „We are one” programme

**Source:** Toth, 2021

The two chosen sports companies take different paths in the organization of their programs. Decathlon, as a sponsoring organization, joins an initiative, while the Ferencváros Gymnastics Club creates the social responsibility actions itself.

The most successful program of the FTC (the sports company that produces the sporting event) is the Fradi Suli program, where players visit schools participating in the program. Thanks to this initiative, in three and a half years, more than 160 schools and 55,000 students have met successful Ferencváros athletes who raise awareness of the importance of learning and regular exercise.

Decathlon does not have famous athletes, which is why it has chosen a different "path". Their corporate philosophy is "to make sport accessible to as many people as possible", even for those with physical, mental or financial difficulties. They have a number of joint initiatives where they help other people - with different levels of disadvantage - to participate in sport by joining forces with an organization. One such initiative is Invisible Fitness, where blind and partially sighted people can take part in free aerobics classes courtesy of Decathlon, and the facilitators are also employees of the company.

## 2.2 Social responsibility at a recreational sports event

One important condition for charity is that as many people and companies as possible participate in it. The Budapest Sports Office, which organizes the largest street running races in our country, also offers several charitable opportunities. Running has become a way of moving the masses. Natural movements such as walking, running, jumping and throwing have been practised since prehistoric times (Gallovits et al, 2011). The popularity of running is due to the fact that there are opportunities to exercise almost everywhere. Jogging was introduced to American culture by James Fixx (Cselik, 2015). Today, running street races are extremely common, with widely varying distances. The breakthrough in making marathon running a mass sport came with the Hungarian-born Fred Lebow, who finally made amateur runners understand that, within certain limits, anyone can run the marathon distance without any special skills. The biggest marathons fill up in a matter of hours. In some cases, the only way to participate is by level or draw.

In addition to organizing running events, the Budapest Sports Office has been striving for years to get involved in various initiatives supported by charitable organizations. The two largest events organize separate races for people with disabilities, with free registration. They also assist in various fundraising campaigns. They continuously collaborate with the Brave Camp, which supports the rehabilitation of children with cancer.

A few years ago, the Budapest Sports Office introduced a new innovation for more efficient assistance: "Our online registration system offers a new, simple donation format. When registering for races, the system automatically presents one or more 'charitable products' assigned by us to the respective race category, which you can support by clicking, adding to your cart, and paying along with your registration. The base amount can be multiplied several times, as in an online store, if you purchase multiple units of a product. The 'charitable products' can also be purchased independently of registration. At the end of the campaign, BSI transfers the total amount collected as support to the designated organization." (Budapest Sport Office – BSI) As evident from the description, the Budapest Sports Office appears in various ways in the field of corporate social responsibility. However, it is also a fact that as a result, it receives more coverage in news reports, articles, and websites. This also means that these actions can yield returns in the business domain.

## 2.3 Social responsibility of food companies

In Hungary, several businesses appear as sponsors and supporters at recreational sports events. We selected two organizations from these. Coca-Cola has supported the women's running race held in Budapest for years. Spar has been the title sponsor of the largest marathon-distance running race in Hungary for years. Despite commonalities, numerous differences can be observed in the realm of corporate social responsibility. (Spar 2018, Spar 2023, Coca-Cola Hungary)

**Table 2:** Comparison of food companies

	<b>Coca-Cola</b>	<b>Spar</b>
<b>aims and values in sport</b>	encouraging people to take part in sport, supporting disabled athletes	the link between food safety and healthy lifestyles and physical activity as a result of their main activities
<b>focus areas</b>	professional and amateur sports, Olympics, all sports	recreational sports, running events
<b>partnerships and sponsorships</b>	Olympic movement, football events	Budapest Sport Office
<b>other social and environmental responsibility</b>	reducing environmental footprint, sustainability, more efficient water management	the importance of a sustainable future, social sensitisation
<b>communication channels</b>	offline, online, on-site	offline, online, on-site, mobile application

**Source:** own collection 2024

In summary, Spar Kft is also a company that strives to implement corporate social responsibility. It has a separate page on its website called "For a Sustainable Future." Within this, five different sub-areas are featured: for the environment, for health, for food safety, for employees, and for society. These activities were organized under a unified framework and umbrella brand in 2019. Sport appears in two programs for health and for employees, with the target audience presumably being different. The company group has been a sponsor partner of Budapest Sports Office for 15 years. Thanks to this, Hungary's largest participant marathon running event has carried this brand name for 15 years: "Spar Budapest Marathon."

The Coca-Cola company group holds a prominent market share both in Hungary and globally. Sport-focused CSR regularly appears in its communication. For decades, the company group has been organizing events and initiatives with a focus on sports. Their statements reveal that they aim to support both professional and amateur sports similarly. Through organizing various events and supporting specific organizations, their main goal is to encourage the population to engage in various sports activities. They have been consciously utilizing the marketing values inherent in sports for a long time. It was first introduced in 1928 at the Amsterdam Olympic Games, and they have continued this tradition ever since.

### 3. SUMMARY

The success of Ferencvárosi Gymnastics Club's corporate social responsibility, thanks to the popularity of athletes, demonstrates the power and interest in professional sports. Decathlon counterbalances lesser-known visibility with more complex programs, where several factors influencing success come into play. The recreational sports organizing company, Budapest Sports Office, consistently achieves charitable goals by involving recreational athletes. Food industry companies, in addition to external actions, also focus on sports and health education for their own employees. In the case of corporate social responsibility, as illustrated by the examples, sport often appears as a tool. Organizations operating in various fields can leverage the positive benefits of sports. The presented businesses have been connected to the sports sector for several years or decades, both in the business sponsorship domain and in the realm of charity. They consciously employ these tools for the purpose of enhancing reputation and brand awareness. From a societal perspective, it can be said that although these companies improve their economic results, they also have a positive impact on social processes.

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