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SCHOOL OF ECONOMICS AND BUSINESS

MASTER'S THESIS

**CORPORATE SOCIAL RESPONSIBILITY IN SPORTS
ORGANIZATIONS: THE ANALYSIS OF THE SURF INDUSTRY**

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LIST OF ABBREVIATIONS

sl. – Slovene

AR – (sl. Obogatena resničnost); Augmented Reality

BiTC - Business in the Community

CAGR – (sl. Skupna Letna Stopnja Rasti); Compound Annual Growth Rate

CED – (sl. Odbor za gospodarski razvoj); Committee for Economic Development

CEO – (sl. Generalni direktor); Chief Executive Officer

CFP – (sl. Finančna uspešnost podjetij); Corporate Financial Performance

CSP – (sl. Družbena uspešnost podjetji); Corporate Social Performance

CSR – (sl. Družbena odgovornost podjetji); Corporate Social Responsibility

DJSI - Dow Jones Sustainability Index

E PL&L – (sl. Okoljski dobiček in izguba); Environmental Profit & Loss

ESG – (sl. Okoljski, družbeni in upravni); Environmental, Social and Governance

FDI – (sl. Tuje Neposredne Investicije); Foreign Direct Investments

FTSE - Financial Times Stock Exchange

GHG – (sl. Toplogredni plini); Greenhouse Gas

GRI - Global Reporting Initiative

IOC – (Mednarodni Olimpijski Komite); International Olympic Committee

IT – (sl. Informacijska tehnologija); Information Technology

NGO – (sl. Nevladna organizacija); Non-governmental Organization

NPO – (sl. Nefitna organizacija); Non-Profit Organization

OECD – (sl. Organizacija za gospodarsko sodelovanje in razvoj); Organization of Economic Co-operation and Development

SRB - Social Responsibilities of the Businessman

PAT - Positive Accounting Theory

PPP - (Pariteta kupne moči); Purchasing Power Parity
PRI – (sl. Načelo odgovorne naložbe); Principles for Responsible Investment
PVC – (sl. Polivinilklorid); Polyvinyl
PWC – PriceWaterhouseCoopers
R&D – (sl. Raziskava in razvoj); Research and Development
SAM - Sustainable Asset Management
SDG - Sustainable Development Goals
UK – (sl. Združeno Kraljestvo); United Kingdom
UN – (sl. Organizacija združenih narodov); United Nations
USD – (sl. Ameriški dolar); United States dollar
VC – (sl. Veriga vrednosti); Value Chain
WSL – (sl. Svetovna Surf Liga); World Surf League

INTRODUCTION

During a speech on the Middlesex Election in 1771, Edmund Burke stated: "*The greater the power, the more dangerous the abuse*". (Burke, 2009, page 363).

With this in mind, the presence of big multinational corporations dominating almost every market and their influence in many aspects of everyday life, from climate change to cultural adaptation is most evident. Moreover, for the first time in history, human beings do not only have an impact on the present state of our environment but on the future as well: no creature is not affected by humans' actions (Lewis & Maslin, 2018, page 171).

From an economic point of view, these actions are discussed primarily in the context of Corporate Social Responsibility (hereinafter: CSR), which, can be summed up as all the actions implemented by corporations in order to promote society's well-being. The implementation thereof is crucial, since, having only a motivation, without concrete actions, does not produce results.

This thesis considers the events mentioned above, that are shaping our way of living and interactions with each other. I have decided to focus my research within the sports industry primarily because I am passionate about it. Secondly, because I firmly believe that sport is one of the most critical channels for educating children as well as promoting a healthy lifestyle and environment. However, the implementation of the CSR in the sports industry is an argument that it is still too broad; thus, I have opted to focus this analysis on the surf companies.

Nowadays, companies have ethical, legal, discretionary, and economic responsibility, and they should take into account all of these elements when they implement their strategies (Carroll, 1991). The benefits of the application of the CSR strategy can be noticed, especially in the sports industry, mostly because it is directly related to various social activities. Moreover, the majority of the entities are engaged in charity events as well as collaborations with non-profit organisations (Giulianotti, 2015). However, some companies still believe that the adoption of CSR practices brings to higher costs rather than profit; thus I attempt to examine these elements both quantitatively and qualitatively. Furthermore, managers consider the impact of CSR on competitive advantage and a firm's financial performance (Kitzmueller & Shimshack, 2012). In this respect, many scholars have different opinions about the real influence of socially responsible actions on the overall profitability; hence I try to illustrate the predominant ideas with their pros and cons.

I decided to focus my research on the surf industry since, in recent years, it has taken necessary actions in order to sustain the environment, local communities, and gender equality. Additionally, the surf is a sport discipline that is going to be present for the first time at the Olympic Games in Tokyo 2020. On the one hand, available sources and data

are hard to find; on the other, it represents a favourable environment for new researches, actions and partnerships. Thus, I believe that this thesis is a representation of upcoming events and thinking that are going to drive our society. In this context, globalisation plays a vital role since it has created a more integrated world, which raises the idea that both disparities and poverty between populations have increased (Bhagwati, 2004). I try to analyse the recent studies in order to understand whether this is the case.

Lastly, for what concerns the theoretical part, I predominantly use articles retrieved from Harvard Business Review, Journal of Business Ethics, and Journal of Sport Management. On the other hand, for the quantitative framework, I have collected data from United Nations Annual Reports, major consulting firms, such as KPMG and Price Waterhouse, companies' reports (Rip Curl, Volcom, Patagonia, Hurley ...) and additionally I have also collected data myself through questionnaires.

Nevertheless, the literature available is limited to specific topics that do not adequately address both CSR in sport and more importantly, CSR in the surf industry. With that being said, the **purpose** of the thesis is to provide a more nuanced understanding of the influence of corporate social responsibility on sports organizations. The main **goal** of the research is to underline the importance that companies in the sports industry give to both internal and external stakeholders when they decide to implement their strategies. The secondary objective of the thesis is to study the impact of socially responsible actions on surf companies (especially concerning local communities, environment, and gender equality) and their link to economic profits, given the globalization effect and the sustainable competitive advantage. Moreover, I was interested in understanding the reasons behind the adoption CSR activities in the surf industry, since prior studies on the argument are not present. Furthermore, I wanted to study also the main areas in which social programs are active, this because I believe that further researches should be conducted in order to highlight the weaknesses and the future opportunities. Thus, based on these argumentations I have built the fundamental research **questions**, which are the following:

- Do companies in the surf industry adopt a CSR strategy?
- Which are the areas where surf companies have active social responsibility programs?
- Which are the motivations behind the adoption of CSR activities in the surf industry?

Based on these three sections, I have structured the researches methods, which are divided into both theoretical and empirical parts, the former utilizing both literature and articles, while the latter was conducted through the creation of an online survey in order to collect data. More precisely, concerning the theoretical framework in the first part of the thesis, I follow the idea of "Sustainable Development" based on both the Carroll's Pyramid and the Triple Bottom-line Approach, which takes into consideration three aspects of every-day activities: social, environmental and economic. I have made this choice in order to present a multidimensional scale of how to measure CSR and its benefits. I am going to use also the classifications provided by the Global Reporting Initiative to facilitate the comparison

between different companies. For what concerns the quantitative framework, I take into consideration both primary and secondary data. The former has been collected through a questionnaire distributed to selected companies in the surf industry. The latter, on the other hand, consists of data collected from their Annual and Sustainable Reports, as well as Official Website and other disclosed information.

The above-mentioned structure aligns itself with the research methodology and will be expounded upon. Chapter 1 is centred on the theoretical framework. In its first subchapter, I explain the concept of CSR with a focus on whether companies have a responsibility towards society or not. Moreover, I underline the benefits deriving from the implementation of CSR, as well as the different methods available for evaluating the results. The second subchapter will go on to focus on the existing link between CSR and sport. In this case, an analysis of both the sports industry and the surf industry are performed. I also provide particular examples and list some cases of partnerships present in the sports industry. Furthermore, I believe that it is essential to underline the limitations of CSR in this specific context, so this is the argument for the last subchapter of this section. As previously stated, I am interested in understanding the relationship between CSR and financial performance as well as the one between CSR and globalisation. The former will be discussed in chapter 1.3, while the second is the topic of chapter 1.4. The last topic of chapter 1 is the impact of CSR on competitive advantage.

Chapter 2, named "Research on Corporate Social Responsibility in Sports Organizations", explains the research methodology that I have followed, with a specific focus on the purpose of my research; the research approaches used and explanation of how data have been collected. Further in the chapter, I analyse the information retrieved from the online questionnaire.

Based on both the theoretical and the quantitative framework, in Chapter 3, I provide the reader with some recommendations and general thoughts on the topic based on the results derived from the online questionnaire and the main theories developed in the qualitative framework.

Finally, in the conclusion I sum up all the findings and give possible solutions to the central questions of the thesis. Moreover, I discuss the limitations that I have faced during the study development, such as difficulty in reaching companies, low numbers of responses and lack of personal interviews.

1 THEORETICAL FRAMEWORK

The research conducted within this work will focus on Sustainable Development and it is based upon two theoretical frameworks, namely: Triple Bottom-line Approach and the Stakeholder Theory, in order to account for the multidimensional scale of CSR. Moreover, different theories to justify the implementation of CSR are described. In addition, the

classifications provided by the Global Reporting Initiative will be used to facilitate the comparison between different companies. Furthermore, the market will be assessed by providing examples, list of threats and opportunities primarily centred on the sports industry and secondly by a more focused analysis of the surf industry.

1.1 Concept of Corporate Social Responsibility

CSR, as we know it today, was developed in the twentieth century; moreover, according to Carroll (2008), this subject first occurred in literature in 1953 with the publication of Howard R. Bowen's novel titled "Social Responsibilities of the Businessman" (SRB). It represents one of the first discussions on social responsibility and business ethics. Bowen assumed that the decisions made by and power held by several large companies in that period had a gross impact, not only on himself, his workers and stakeholders but also on the majority of American citizens. Additionally, he provided one of the first definitions of CSR – well, more precisely – he defined SRB as “...*the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society*” (Bowen, 1953, page 6). This statement underlines the importance of corporation's creation of welfare for the society, while also reaching economic and social justice goals. In a period characterized majority by theories and not actions, Bowen's book was nonconformist, as he proposed changes for what concerns the composition of the board of directors, the adoption of social audit, the development of business codes of conduct and more research in the social science area (Carroll, 2008).

Although the intellectual roots of CSR started in the 1950s, it is worth noting that previous actions of development were present since the Industrial Revolution in the mid-late 1800s; this highlighted the impact of business on both environment and society (Carroll, 2008). Murphy (1978) further developed the theory mentioned above through the identification of four main eras: the first dated pre-1950s was dominated by philanthropic activities (essentially, a voluntary contribution) as companies allocated money to associations and selected groups of people. This moral contribution promoted long-run society well-being rather than the creation of the company's profit. This development of CSR theory is notable as before the 1900s since companies did not interact with charities as they were thought to be wasting stakeholder assets (Carroll, 2008).

The second era, 1957 - 1967, is characterized by CSR awareness and it is described by the increase in recognition of companies' responsibilities and their involvement in society. More precisely, this period was characterized by the idea that business had to do something tangible for the society. There was a shift from individual to the public since governments and businesses had direct involvement in the development of laws and actions in favour of their employees and consumers (Tripathi & Bains, 2013). Furthermore, the manager was

seen as a public trustee, with the mission of balancing economic returns and support of good causes (Fredrick, 2006).

The issue era active between 1968 - 1973 saw a time in which different companies addressed specific problems depending on the cause they considered the most important. Typical examples include racial discrimination, environmental pollution, gender inequality, and so forth. Current actions emerged in this period, mainly due to the rise of social revolutions, such as "The Black Movement" which proclaims the equality between black and white people in the USA. Furthermore, the "Ecology Movement" tried to address the problems of industrial pollution, especially in big metropolitan cities, urban wastes in rivers, lakes, oceans, and also the increase of the urbanization process. The "Women's Liberation Movement", the strongest in the early 1970s, promoted gender equality in a patriarchal, male-dominated society (Fredrick, 2006). This period saw the formalization of CSR; however, these changes were still heavily based on theory rather than on actions (McGuire, 1963).

Keith Davis defined social responsibility as "*Businessmen's decisions and actions taken for reasons at least partially beyond the firm's direct economic or technical interest*" (Davis, 1960, page 70). He elaborated the Iron Law of Responsibility, as it states that those companies that do not take socially responsible actions will fail in the long-run. Moreover, in 1971, spurred forth by previous social movements, the publication "Social Responsibilities of Business Corporations" by the "Committee for Economic Development" (CED) contributed to the achievement of a more precise definition of CSR. Academics and businessmen composed the CED; therefore, it is a clear representation of the new idea that business' activities have a direct impact on society, environment, and all the people involved (Carroll, 2008). In addition to this, the CED identified three circles that best describe Social Responsibility:

- The *inner-circle* includes the every-day activities and operation of the companies, such as selling, buying, analysis of economic growth, hiring ...
- The *intermediate circle* differs as it is the execution of the previous economic activities with respect to social values. Thus companies should meliorate the relation with customers, employees, suppliers, as well as take into consideration the environment.
- The *outer circle* saw all those social activities that enterprises should take into account in the future and which are not defined yet; namely, poverty, urban pollution.

Finally, the fourth era is the one that goes from 1974 to 1978 and on. According to Murphy's classification, this was the period of responsiveness, during which companies took concrete actions in order to address the different CSR issues (Carroll, 2008).

The formal definition of CSR started in the first years of the 1970s. However, the distinction between Social Responsiveness, Corporate Social Performance (CSP), and CSR arose much later. One of the most notable scholars of the period discussed these

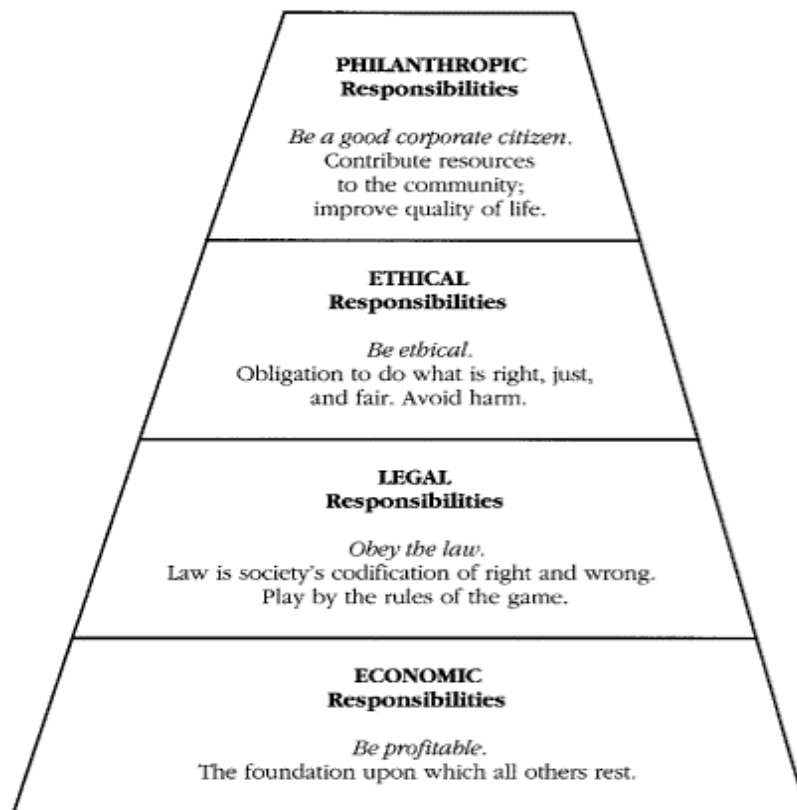
distinctions; S. Prakash Sethi stated – in 1975 – the differences present in the corporate behaviours. More precisely, he defined the social obligations of companies by their responses to laws and economic regulations, so managers should limit their actions to what is demanded by the requirements present in the countries in which the company is present (Taiwo, 2012). On the other hand, social responsibility was defined as “...*bringing corporate behaviour up to a level where it is congruent with the prevailing social norms, values and expectations of performance*” (Sethi, 1975, p. 62). Thus, enterprises should do more than what is required by the law and economic considerations (Taiwo, 2012). The last classification, social responsiveness is the adaptation of companies' behaviour to the social norms considering, however, long-time horizon managers have to be proactive in reacting to the different social issues that are present as well as to the ones that could be present in the future (Taiwo, 2012).

However, Fredrick's Four Elements definition opposes the above as he distinguished between Corporate Social Responsibility (CSR1), Corporate Social Responsiveness (CSR2), Corporate Social Rectitude (CSR3) and Corporate Social Reason (CSR4). CSR1 is defined by all the actions that companies take in order to sustain their self-interest. Thus, companies are driven by the manager's preferences, which are, in turn, based on legal requirements, economic aspect as well as individual goals. It is the oldest concept of CSR present in society, and its principal characteristic is that actions follow social obligations and not a moral basis. CSR2, on the other hand, is the capacity of companies to respond in a preventive way to social obligations, which could be very volatile. Even if it is less vague than CSR1, it still keeps the economic aspect at an upper level of importance of the social one. Moreover, it was the predominant idea during the 1960s - 1970s. The process further develops in the notion of CSR3, which embodies an ethical aspect that was not present in the previous concepts. While, CSR4 is a representation of the religion, science, and cosmos; thus, the company's decisions are not based on itself, but on the surrounding environment. (Fredrick, 2006).

In 1979, Archie B. Carroll proposed a holistic definition of CSR within an article in the journal *Academy of Management Review* titled "Three dimensional conceptual model of corporate social performance (CSP)". The author stated, "*The social responsibility of business encompasses the economic, legal, ethical and discretionary expectations that society has of organizations at a given point in time*" (Carroll, 1979, p. 500). Ultimately, CSR encompasses the four categories, as mentioned earlier: economic, legal, ethical, and discretionary, which covers both the expectations of society and the philanthropic obligations that enterprises decide to take. Moreover, these four categories have similar features. First of all, each of them is a part of the social responsibility of the business. Second, the combination of activities undertaken by the companies could be of any type. Third, they are neither commutative nor additive, and fourth, during the time responsibilities move from one category to the other.

Carroll represents CSR as a pyramid, which we can see in Figure 1, with Economic Responsibility, or, in general, profit-making as the primary goal for the companies and society requires it. However, this element should not be considered as something that companies do only for themselves, but as something that also takes into account society (Carroll, 2008). Later, we have the Legal Responsibility, which shows that companies have to respect the law present in the Countries in which they operate. Moreover, society still requires it. The third step is the Ethical Responsibility where companies in this context take responsibilities that go beyond the legal and economic requirements. Thus, they have to consider both global and host-country standards: it is expected, but not mandatory, to take ethical actions. The Discretionary Responsibility represents the last level; in practice, companies should operate in a way that society considers ethical. However, they are not obliged to undertake ethical activities, as we can see from Figure 1, this category is desirable and could be summed up as be a good corporate citizen (Taiwo, 2012).

Figure 1: The Pyramid of Corporate Social Responsibility



Source: Carroll (1991).

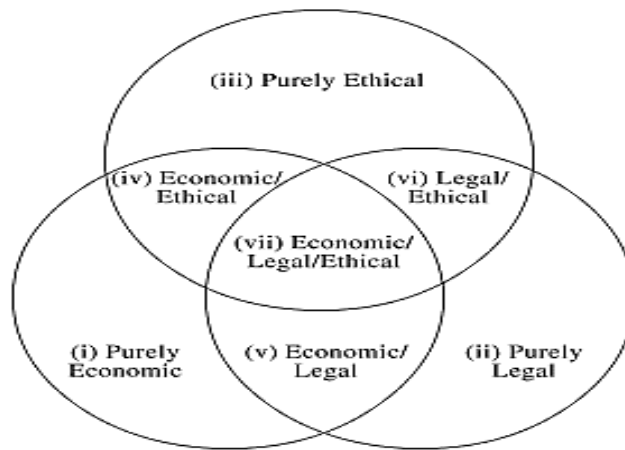
However, this four-dimensional concept of CSR was reduced by Carroll and Schwartz (2003) into a three-domain approach. A Venn Diagram represents this model, that it is reported in Figure 2, and includes an economic, a legal and an ethical aspect, with the discretionary included either in the ethical one or in the economic one. This new concept represents each category as one circle of the diagram, underlying the fact that each

category could have different sizes and intersections depending on the decision of one company to focus more on one element rather than another. However, with this three-domain approach, none of the categories is superior to the others.

As we can see from Figure 2, we have seven different categories:

- Purely Economic signifies that companies decide to undertake unethical activities with the sole purpose of generating profit. Moreover, this generation highlights unethical behaviours as one of the most prominent critics that society attaches to corporations; this is especially true in the tobacco industry.
- Purely Legal, on the other hand, refers to actions that are unethical and at the same time, do not bring an economic benefit. Corporation in that sense usually utilises the expression "because it is the law" in order to justify the activity in question. However, it is tough to place a corporation decision in this category, since most of the time if something is legal, it is also ethical.
- Purely Ethical actions do not imply the legal and economic scenarios, as they represent those activities that are performed by corporations in order to fulfil a moral obligation. On the contrary, it is not easy to define a corporate decision as ethical because many motivations behind it cannot be addressed.
- Economic and Ethical is the first overlapped category. It encompasses those activities that, at the same time, have economic and ethical features. The authors believe that good ethic means good business and for summarising this concept, a good example reported in the article is represented by the decision of enterprises to give to charity for both ethical and economic reasons.
- Economic and Legal is the section of the diagram in which the economic aspect and legal intersect; however, the ethics section is not present. Thus the activities illustrated here are inherently unethical. Carroll and Schwartz reported that this category is similar to the Sethi's Social Obligation in which corporations react to legal and economic constraints present in the environment. The authors reported an example, already discussed by previous studies, where companies are dislocating the production process in developing countries due to lower restrictions for what concerns environmental, working and safety conditions. This practice is considered unethical but conforms to the law and brings about economic benefit.
- Legal and Ethical category incorporates few activities because the majority of these actions that are conform to the law and are also considered ethical have a higher probability of generating an indirect economic return in the future.
- Economic-Legal-Ethical is the last possible intersection, and it is the more desired one.

Figure 2: The Three-Domain Model of Corporate Social Responsibility



Source: Carroll & Schwartz (2003).

In conclusion, this new approach addresses the main issues of the four-part approach identified by Carroll; predominantly within the hierarchical structure of the pyramid, which can lead to misunderstandings. Moreover, the three-domain model also tackles the problems correlated to the discretionary element of Carroll's pyramid since it could be seen as unnecessary for business activities. The last issue pertains to the incomplete discussion of the pyramid's elements, especially for what concerns both the ethical and the legal aspect. However, the three-domain approach is far from perfect, since it is based mainly on assumptions that assume a clear distinction between the categories. This last element is hard to fulfil since none of the actions are purely economic, legal, or ethical.

After that, in 1990, CSR acquired an international concept, primarily due to the Information Technology (IT) revolution and the collapse of the Soviet Union, which in turn facilitated the communication and the trade within different Countries. All these aspects brought a greater awareness of the consequences that economic activities have on society. From the year 2000, CSR acquired more importance. This fact is represented by the creation of different codes, global voluntary regulations, and guidelines such as Global Reporting Initiative (hereinafter: GRI), the UN Global Compact, the Principles for Responsible Investment (PRI), and the redrafted Organisation of Economic Co-operation and Development (hereinafter: OECD) (Tripathi & Bains, 2013).

Nowadays, companies that want to maintain market shares acquire new customers and maintain a brand loyalty have to implement a CSR strategy as part of their core

responsibilities and competencies, especially in a period characterised by transnational communication, trades, and investments.

In conclusion, in 2002, The Commission of the European Communities proposed the following definition of CSR, they stated:

“Corporate Social Responsibility is about companies having responsibilities and taking actions beyond their legal obligations and economic/business aims. These wider responsibilities cover a range of areas but are frequently summed up as social and environmental – where social means society broadly defined, rather than simply social policy issues. This can be summed up as the triple bottom line approach: i.e., economic, social and environmental” (European Commission, 2002, Press Release Details).

This understanding of CSR will be utilized throughout this research.

1.1.1 The responsibility of companies

When customers decide to buy one brand over another, they do not only take into consideration the quality of the product, but also the responsibility of the company towards society and the environment. Customers and investors also take into account the working conditions of employees and corporate philanthropy (Gitman, McDaniel, Shah, Reece, Koffel, Talsma & Hyatt, 2018). Thus, in recent years, CSR has become the main driver of companies for meeting society's expectations and the competitiveness that results from it (Martinez, Fernandez & Fernandez, 2016).

Moreover, according to “KPMG 2011”, the adoption of CSR practices have increased at a general level independent to the country in which a company is located or established business activities. It is worth noticing that companies sustain society also through the payment of taxes that support both local hospitals and schools as well as the construction of roads or infrastructure (Gitman, McDaniel, Shah, Reece, Koffel, Talsma & Hyatt, 2018).

In the past years, business entities have had a fundamental economic function within society, which has resulted in the distribution of goods and services as well as an increase in employment and well-being overall. However, recent circumstances have changed the goal of companies from a poor economic perspective to one that is more socially-oriented with a specific focus on the triple-bottom line. Thus, companies are required to meet the dual economic and social function. According to the article "Corporate social responsibility: Evolution through institutional and stakeholder perspectives", the most important events of recent decades that affect the above-mentioned goal are:

- Opportunistic and corporate fiscal abuses of financial entities.
- Increase of poverty and discrimination both within and between countries

- Bigger and more powerful multinational companies.
- Environmental degradation.

As a result, companies have to meet these requirements in order to satisfy and reward stakeholders that either have invested in the company or have an active role within society as well.

As discussed in 1.1, the concept of CSR has started in 1950 and then developed through the decades from a theoretical aspect to a more practical one. In order to illustrate why companies decide to implement and disclose CSR practices, different theories are used: these theories can be divided into two broad categories: Economic Theories and Social / Political Theories (Martinez, Fernandez & Fernandez, 2016). The former considers only financial stakeholders, the economic aspect of the implementation of CSR activities, and its information disclosure. Among them, we find Decision Usefulness Theory, Agency Theory, and Positive Accounting Theory.

Agency Theory proposes a negative approach in the implementation of CSR; Friedman states that corporations exist only to generate profit for shareholders and not for solving social problems (Slavova, 2013). Milton Friedman sustained the idea of a free market, and in 1970 he wrote the article "The Social Responsibility of Business Is to Increase Its Profits" in which he reported his idea that ultimately, companies should not engage in activities that deviate from the fiscal and the economic aspects. This because the moral responsibility of managers are represented by their willingness to assure stakeholders' long-run interest. However, it is worth noticing that he is not against businesses engagement in socially responsible actions if the latest bring to an increase in shareholders' wealth (Dunn & Burton, 2006).

On the other hand, companies adopt Positive Accounting Theory (PAT) as a tool for corporate social and environmental information disclosure. This perspective was further elaborated by Watts & Zimmerman (1986) based on the concept of opportunistic behaviour and rational choice theory. More precisely, the last theory relies upon the idea that people always try to maximise their advantages by using rational calculations and their self-interest. In practice with the adoption of PAT, companies try to minimise asymmetric information between owners and shareholders through the stipulation of different contracts and disclosure of information to meet shareholders' expectations.

Furthermore, Decision Usefulness Theory is centred on the explanation query of why managers manipulate the annual financial reports in order to present data that is aligned with shareholders' expectations.

For what concerns the Social and Political Theories, Gray, Kouhy and Lavers (1995) believes that they provide a better explanation of the motivations behind CSR adoption. The three main theories are Legitimacy, Stakeholder, and Institutional Theory (Fernando &

Lawrence, 2014). The first one, the Legitimacy Theory, is a theory used to report why the company adopts CSR practices to relevant groups and presents the company's commitments and responsibilities. It is based on the concept of a social contract, which consists of an implied contract between the company and society. The former could carry out business activities only if it respects the expectations and the requirements of society (Islam, 2017).

R. Edward Freeman, instead, firstly elaborated Stakeholder Theory, in 1984 it states that managers should take into account not only the shareholders, but all the groups of people that are actively involved in the business, such as suppliers, local communities, workers, customers and so on. Hence, companies should adopt a CSR strategy in order to satisfy non-financial stakeholders, which otherwise would not support the company in the future (Slavova, 2013).

The last theory is the Institutional Theory, which can be defined as “*the institutional forces drive agent’s behaviour by aligning agent’s beliefs with social norms, with the alignment be caused by either internalisation of norms or external pressure*” (Dash & Mishra, 2017, p. 71). Hence, companies disclose social and environmental information to accomplish their idea of rationality, which is driven ultimately by the organisation’s social context, the scope of its activities and the social relationships in which the business operates (Dash & Mishra, 2017).

In 2012, the European Commission created a questionnaire on the perception of European Citizens on the influence that companies have towards society. Over half of the sample analysed believed that business entities have a positive influence on society; however, this percentage illustrates that the population of Europe is more sceptical than other economies. In opposition to this, European citizens are less optimistic than other Countries, such as China, India, Brazil, and The United States. Furthermore, only 40% of European residents believed that companies pay more attention to society now than ten years ago; while the percentage in Brazil is as high as 74% and 65% for Chinese residents with 44% for US citizens. Moreover, if we analyse the responses based on the industry sector, we see that European citizens believed that food production and agricultural companies are the most likely to take action in favour of society, while the bank and financial sectors, as well as oil companies, are less likely to be considered socially oriented. Instead, if we consider the socio-demographic trends, we can see that women are more likely to consider manufacturing and pharmaceutical companies as socially oriented, while men are more likely to think that both construction and chemical companies engage in social activities. Furthermore, a clear age pattern emerges from this study; in fact, young people are more likely to believe that business entities, independently from the sector in which they operate in, make an effort to behave responsibly towards society.

Moreover, the majority of the respondents believe that "creating jobs" and "contributing to economic growth" are the main positive effects that companies have on society. In

addition, this is the predominant perception in all the six countries in which the research was conducted (EU27, US, Brazil, India, China, and Turkey). On the other hand, the less chosen options are "Providing financial or material support to local people" and "Providing return to investors". Furthermore, the respondents, independently on their geographical location, consider "Corruption" as the main adverse effect of companies on society. The second most believed negative effect for EU27 residents is the reduction of the number of employees, while for India, China and Brazil is the environmental pollution.

In conclusion, due to demanding stakeholders, business organizations that develop and implement a CSR strategy are more likely to sustain a strategic advantage, compared to the ones that do not. Moreover, the responsibility of companies within society has changed in the last few years because of a more significant inability of governments to provide adequate social services. In addition to this, immigration flows which, in turn, causes differences within communities as does the increase in both globalization's pressure and international trade (Książak, 2016).

1.1.2 Benefits of CSR

As previously stated, CSR has become one of the most significant intangible assets that a company could own. According to Sprinkle and Maines (2010), there are seven reasons for firms opting to engage in socially responsible actions. The first is due to CSR practices being an intrinsic part of the global citizenship initiative of each business entity. More precisely, the higher the sensibility of a company to the needs of the community in which it runs its business, the higher the probability for it to generate an environment characterized by high-quality labour (Davis, 1973). The second reason is to improve the brand image and the reputation of the company; these elements could be considered as external intangible benefits (Chong & Tan, 2010). By adopting CSR practices, companies give the community the perception that they share the same values and, thus, increase their customers' loyalty. Moreover, through the enhancement of the brand and market share position, companies could easily access the capital market.

Furthermore, Davis (1973) presented a similar argument for social responsibility, which is the viability of the business. It is closely related to the enhancement of the brand image, but on the contrary, it focuses on the whole business system rather than on one individual firm. More precisely, enterprises could exist in the long run only if they respond to social needs. This idea is summed up by the concept of the Iron Law, which was already discussed in this thesis. Third, CSR aids the recruitment and retaining phase of employees. According to Asemah, Okpanachi & Edegoh (2013), employees constitute one of the most valuable assets of an entity, and they should receive physical and medical treatment as well as be encouraged to engage in a healthy lifestyle. Bauman and Skitka (2012, p. 69) in the article "Corporate Social Responsibility as a source for employee satisfaction" reported that "*Belief that another party is moral provides people with a sense of security and safety*

because people assume that moral actors are less likely to take advantage of them". Furthermore, CSR increases the perception of the belongingness of the workforce, making them more satisfied, motivated, and less prone to turnovers (Bauman & Skitka, 2012). Lastly, helping others could generate a sense of achieving more within the workers other than just considering material aspects (Bauman & Skitka, 2012). The fourth reason is that it provides more possibilities to attract new customers. In addition to the above four, it promotes lower costs due to waste reduction, renewable energies, and Eco-friendly initiatives; with the sixth one shows the reduction of risks. The last reason regards the opportunity to spread the company's vision to all the stakeholders that are involved (Ramachandran, 2015). This last concept could be linked to the conventional thinking that usually stockholders put pressure on enterprises to adopt social actions, thus by considering their interests, the firm will be able to generate profit (Davis, 1973).

In addition, Davis (1973) illustrated the idea that through the adoption of CSR, there is an avoidance of government regulation, meaning that CSR reduces the probability of the introduction of new government restrictions. What is more, sometimes institutions fail in handling social problems; hence, business entities could use their capabilities and resources in order to tackle them (Davis, 1973). Further, in the article, the author stated another argument for social responsibility: sociocultural norms. Society is characterised by norms and constraints that address many aspects of every-day business operations, such as technology, market, and regulations. More precisely, companies change their behaviours based on how society's norms develop. Thus, the profit creation is reached through the respect of a specific set of social norms that are set by society. Hence, CSR offers the chance to differentiate a specific company from its competitors and at the same time, reduces its costs, which, in turn, boosts its financial performance. In addition, adopting social and environmental practices have a positive impact on innovation, especially in eras characterized by fast-changing environments and globalization (Rexhepi, Kurtishi & Bexheti, 2013).

In conclusion, from a managerial point of view, it is better to prevent social problems than curing them in the future, since they could cost more both in time and money terms (Davis, 1973).

1.1.3 CSR measures

After taking into consideration all the stakeholders delineated and applied a CSR strategy, managers now have to assess whether the adopted strategy has changed the performance of the company or not. In order to measure the outcome, one needs to divide the relevant stakeholders based on their type of relationship with the company. According to Hopkins (2005), there are three main categories of stakeholders:

- Internal stakeholder effects, which influences all the people involved within the company, such as employees, suppliers, managers, owners ...

- External stakeholder effects, on the other hand, have an impact on external stakeholders, which are all the individuals and groups outside the business or project; yet at the same time, they are affected by the decisions taken by the companies. In this category, we find vendors, consultants, trade unions, associations, and so on.
- External institutional effects refer to the effects on large business institutions, rather than that of single groups or individuals.

Companies use different types of indexes in order to measure the outcome of the CSR strategy. In this study, four methods were selected, and the majority of them follow the guidelines of the United Nations (UN) "Sustainable Development Goals" (SDG). The goals were created on the 25th of September 2015 by the United Nations General Assembly, which is comprised of 193 Countries. These objectives make up a 15 years plan to intend to guide global actions and ultimately create a more sustainable world.

The United Nations identified 17 goals; for each of them, specific indicators were selected in order to track and measure relevant trends. More precisely, on their website, we find the following definition:

“The Sustainable Development Goals are the blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including those related to poverty, inequality, climate, environmental degradation, prosperity, and peace and justice. The Goals interconnect, and in order to leave no one behind, it is important that we achieve each Goal and target by 2030” (United Nations, n.d.).

The first goal focused on the termination of extreme poverty characterized by a Purchasing Power Parity (hereinafter: PPP) of less than 1.90\$ per day by 2030 in all the Countries. Moreover, it tries to improve the social protection of poor and vulnerable people to increase their access to essential services and to give more support to victims of natural disasters and conflicts.

Zero Hunger, as the second goal, can be achieved by improving food security, sustainable agriculture, and the nutrition of children as well as adolescents and pregnant women.

The third SDG, Good Health and Well-Being, promotes population well-being at every age and for both genders by improving maternity conditions and child health as well as a more conscious reproduction process. Moreover, it promotes cheaper and available vaccinations and medicine, ends epidemics of communicable diseases, and reduces the spread of the non-communicable ones.

Goal number 4, which is Quality of Education, could be achieved by ensuring equitable access to higher education and promoting lifelong learning opportunities. While the fifth one is Gender Equality promotion through the elimination of all the forms of discrimination and violence.

SDG 6 is about the environment; more precisely, it is aimed at the issues surrounding non-potable water, lack of sanitation, and quality of water resources. According to 2018 report *"Achieving this Goal, which is critical to the survival of people and the planet, means expanding international cooperation and garnering the support of local communities in improving water and sanitation management"* (United Nations, n.d.). Furthermore, renewable energy access and promotion are taken into consideration in goal number 7. It seeks to increase the accessibility of energy within all Countries and, furthermore, increase investments in technology for clean energy.

Goal 8 seeks to promote inclusive and sustainable economic growth through the promotion of decent work conditions acquired through the reduction of forced labour, human trafficking, and child labour. On the other hand, sustainable industrialization, innovation, and infrastructure development are the focus of goal number 9, and they can be reached by an increase in domestic and international financial support, more exceptional communication and better access to information available.

Goal 10 is aimed to lessen inequalities both within and between countries by reducing taxes of exports from less developed nations and small islands developing states.

SDG 11 is centred around the creation of Sustainable Cities and Communities since everybody should have the possibility to take advantage of transportation, essential services, and energy. This goal could be achieved through the creation of cycling and walking paths and more efficient public transportation systems.

The environment is the focus from SDG 12 to SDG 15. This is evident in SDG 12, which promotes the responsible consumption and production of goods and services. Following this, SDG 13 tries to deepen the knowledge of the youth population regarding the current and future adverse effects on climate change. The environment remains at the centre of Goals 14 and 15, where the former seeks to develop the conditions of Life Below Water, while the latter centres on in improving the situation of Life on Land.

Conversely, SDG 16 is defined as *"Access to justice for all, and building effective, accountable institutions at all levels"* (United Nations, n.d.). The quote above highlights that SDG 16 is centred on peace, justice, and security rather than the environment. The last goal is the Partnership for the Goal, and it hopes to develop new and stronger partnerships for sustainable development.

In conclusion, in Figure 3 hereafter, all the 17 goals are reported with an image that summaries the problems that they try to address; this for providing the reader with a more transparent and understandable explanation of the already given descriptions.

Figure 3: Sustainable Development Goals



Source: United Nations (n.d.).

The Dow Jones Sustainability Index (hereinafter: DJSI) is the first tool that can be used for measuring CSR. It was launched in 1999: RobecoSAM and S&P Dow Jones Indices compose it. The former is a company that focuses on Sustainability Investing, and it offers impact analysis, sustainability assessments, and benchmarking services. Moreover, it has the mission of helping its client to achieve their financial as well as sustainability goals through superior investments opportunities (RobecoSam Official Website, n.d.a). The latter, on the other hand, is the most extensive database for indexes, data, and research. Hence, the DJSI is used for tracking and evaluating the stock performance in economic, environmental, and social terms of the leading companies in the world. In the website, they give the following description of the DJSI "*The indices serve as benchmarks for investors who integrate sustainability considerations into their portfolios, and provide an effective engagement platform for companies who want to adopt sustainable best practices*" (RobecoSam Official Website, n.d.b). Moreover, it is composed of both World and European set of indexes. The one, the DJSI World, encompasses a composite index and five other indexes that are narrower; however, it excludes all the companies that run business in alcohol, tobacco, gambling, armaments and firearms industry (Hopkins, 2005). The European index, on the other hand, is called the DJSI STOXX.

The DJSI is based on the idea of Corporate Sustainability, which promotes long-term profitability while taking into account threats and opportunities available in economic, social, and environmental variables (Hopkins, 2005). For what concerns the assessment, the Sustainable Asset Management (SAM) Company, which determines the most sustainable companies for each industry, handles all the DJSI indexes; these are listed in the DJSI STOXX. The criteria of the three-dimensional bottom line approach are used to identify the leading company for all the eligible industries in the DJSI STOXX by using both general and industry-specific indexes. The evaluation is created through an online questionnaire, sent, by SAM, to suitable companies; this, in conjunction with publicly

available information, companies' reports, as well as direct contact between SAM analysts and companies' managers, results in an overall assessment. The questionnaire seeks to evaluate the following categories: sustainability, environmental, safety, social, and annual financial reports. Moreover, it encompasses special reports, such as the relation with employees, Research and Development (R&D) reports, and corporate governance; public disclosed information is taken into account as well. Moreover, each industry has a specific survey (SAM Official Website, n.d.).

The second procedure that could be used to measure CSR performance is the Business in the Community (BiTC) method. It is based on the concept of Corporate Responsibility, and in 2013 it launched the Corporate Responsibility Index, which is defined as “...a questionnaire which measured companies on their social and environmental impact and the extent to which responsible business was integrated into their strategy” (Business in the Community, 2018, p. 42) in the organization’s 2018 Annual Report. It is a voluntary tool used by companies listed in the Financial Times Stock Exchange (FTSE) 100, FTSE 250, the DJSI and those that are part of BiTC with a significant economic presence but that are not listed in the United Kingdom (UK), for providing information about their CSR practices.

The BiTC questionnaire is based on four categories. The first one is Corporate Strategy, in which the management level of the company is analysed in order to understand how business activities are integrated with the company's values and how decisions taken at the corporate level influence the strategy chosen. The second step is to look at how companies are integrated and how they manage the daily business operations given the selected strategy. The third category is the management section, which is used to monitor the integration of CSR within the company for understanding the type of relationship that exists between the company and the different stakeholders. More in detail, this section tries to analyse, firstly, goals, and targets set by managers and their communication and secondly, the policies implemented as well as the issues related to the different stakeholders. It is worth noticing that the management section is further divided into four categories: community, environment, responsibility in the marketplace, and responsibility in the workplace. The first one is the community, which covers the effects of a business project, product, or investment on the community. The second category is the environment; in this case, the analysis is on how the company's operations and products affect the world's ecosystem and natural resources. Responsibility in the marketplace, on the other hand, means performing well in all the value chain steps. The last section investigates the responsibility within the workplace; thus, the creation of a working environment in which personal and employment rights are respected. Lastly, the performance and impact areas are examined, more precisely; companies have to evaluate six impact areas in the social and environmental scenarios. Two of those six areas are mandatory reports: global warming and waste management. In addition to the above two, companies have to choose two other variables in the social contest and an additional two more that are self-selected.

Moreover, they are aligned with the UN Sustainable Development Goals that have been already mentioned.

The FTSE4good Index Series is the third method listed in this thesis, and the Financial Times Stock Exchange launched it in 2001. It is defined as "*The FTSE4Good Index Series is a market-leading tool for investors seeking to invest in companies that demonstrate good sustainability practices. It also supports investors that wish to encourage positive change in corporate behaviour and align their portfolios with their values*" (FTSE Russell, 2018, page 1). It is a transparent methodology since it provides companies with all the necessary information about indexes and methodologies used. Moreover, it follows the UN Sustainable Development Goals, and it includes more than fifteen benchmarks. Furthermore, it uses the Environmental, Social and Governance (ESG) Ratings for assessing how companies manage issues that arise in three main areas; ultimately, with these three pillars, the rating result of the company is reached. Building on this, we have that for the Environmental variable, it assesses the influence of the company on biodiversity, climate change, pollution and resources, supply chain, and water security. The second area included in the rating is the Social one, with the following variables taken into consideration: customer responsibility, health and safety, human rights and community, labour standards, and supply chain. Lastly, we have Governance, which includes four themes: anti-corruption, corporate governance, risk management, and tax transparency. Hence, if all the three pillars are considered, we obtain an analysis of 14 themes, which are furthermore inspected by more than 300 indicators. However, the FTSE does not provide us with information about the measurement tool. Companies are selected based on their commitment to ESG variables; they must not be involved in tobacco, weapons, controversial weapons, and coal production. Moreover, they must be part of either FTSE Developed All-World (Global) index, which represents the performance of large and middle-companies in both developed and emerging economies, or FTSE UK All-share index, which on the other hand considers only the UK market.

The fourth standard that could be used for measuring CSR is the GRI Index, which is the most used method within the CSR reporting process. It was launched in 1997 and is centred on the concept of Sustainability Reporting, defined by the organisation as "*Sustainability reporting, as promoted by the GRI Standards, is an organisation's practice of reporting publicly on its economic, environmental, and/or social impacts, and hence its contributions – positive or negative – towards the goal of sustainable development*" (GRI, 2018, page 3). Hence, through this process, companies are able to understand their impact from all the variables of the three-bottom line approach, and they can report the results according to internationally accepted standards. The GRI Index is further divided into two categories: Universal Standards and Topic-Specific Standards. The former is called the 100 Series and includes GRI 101 that delineates the Reporting Principles, such as the requirements needed to be satisfied, explanations of specific claims for preparing the report and description of references. On the other hand, GRI 102 is known as General Disclosure,

and it is used for reporting all the general information regarding a company; such as the existing relationship with relevant stakeholders, the vision and mission, strategy, ethics, and governance. The last standard of the Universal category is the GRI 103, useful for describing how a company deals with a specific material topic, as GRI 101 and 102. Topic-Specific Standards used to report specific information about each category, in order to limit the numbers of auxiliary reports, are GRI 200 (Economic Topics), GRI 300 (Environmental topics) and GRI 400 (Social topics). Furthermore, the GRI standards include both Requirements, which are mandatory instructions and Recommendations, which are suggested but not mandatory actions that companies could adopt. Moreover, Guidance is included as well, and it is represented by examples or explanations useful for making the procedure easily understandable; however, no measures are given.

Besides the indexes mentioned earlier, in recent years a new form of accreditation of sustainable companies arise: Benefit Corporations and Certified B Corporation. For what concerns the Benefit Corporation, the fundamental characteristics are that: it is a legal structure, which is similar to the one of partnership, LLC, proprietorship, or C-Corp. However, differently, from these, the Benefit Corporation has to take into consideration all the relevant stakeholders when it develops a business plan. In order to be defined as such, a company must create a positive impact on society, environment, or both. Every single Country decides the nature of the impact, and it could be either specific (ex.: improve local education system) or general (not localised in a specific area). However, a minimum level of the performance of the impact is required. The negative aspect of this type of business is that not every country recognises it (Certified B Corporation, n.d.).

In addition to the Corporation mentioned above, the Certified B Corporation is a *"third-party certification administered by the non-profit B Lab, based in part on a company's verified performance on the B Impact Assessment"* (Certified B Corporation, n.d., About B Corps). Thus, a company has to apply to B-Lab if it wants to obtain this accreditation. B-Lab is an American non-profit organisation, which is trying to create more sustainable solutions in the economic system. Moreover, the B Impact Assessment, a tool used for measuring a company impact, looks at the following areas: Measurable Social Performance, Accountability, Transparency, and Measurable Environment Performance. Based on the above criteria, business entities receive a score, which has a range between 0 and 200 but only those that obtain a score above 80 are considered eligible. If this requirement is satisfied, the company has to change the governance documents in order to make all the shareholders aware that they have to consider the stakeholders involved in the business. Furthermore, Certified B Corporations are subject to review every two years.

1.2 CSR and sport

Sport is one of the most powerful tools for teaching young generations the importance of tolerance, discipline, confidence, and leadership (United Nations Inter-Agency Task Force

on Sport for Development and Peace, 2003). Furthermore, it has a positive impact on physical and mental well-being, reducing the onset of different diseases, as well as, supporting health activities and moreover improving the awareness of infectious and sexually transmitted viruses and ultimately contributing to economic development by giving the possibility to employ local workers (United Nations Inter-Agency Task Force on Sport for Development and Peace, 2003). Sport plays a vital role in society because it is a valid alternative to harmful actions, such as drug abuse and involvement in criminal activities.

This thesis analyses in a broader term the correlation between the surf industry and the adoption of CSR in order to present whether companies engage in social activities; furthermore, also if a profit can be created from this. From an economic point of view, in the last years, sports manufacturing, communication, events, and retail companies are experiencing more significant revenues due to an improvement in the awareness of healthy lifestyles and environmental pollution. Moreover, sports organizations could benefit from CSR activities because it does not only enhance their fans' loyalty but also boosts their competitive advantage, financial performance and overall relation with society (Montazeri, Talebpour, Andam & Kazemnejad, 2017). In the book "Routledge Handbook of Football Business and Management" we can find that companies in the sports industry can quickly develop discretionary activities in order to differentiate themselves from competitors and thus develop a sharp brand image. (i.e., sponsorship income). On the other hand, some business enterprises that do not operate in the sports industry choose to use sport as a vehicle to implement a CSR strategy in order to acquire new customers, maintain brand image and improve public perception (Filizöz & Fişne, 2011). This event could happen because the passion of fans and consumers plays an essential role in society, and it creates a sense of community through integration (Babiak & Wolfe, 2009). Moreover, sports associations, organisations, and companies receive public funding with which to develop activities, infrastructures and projects. However, this form of public protection could arise in some stakeholders high and different expectations concerning social, environmental, and economic features that sports companies have to respect (Swindell & Rosentraub, 1998).

In addition to the aforementioned elements, donations and foundations from professional and former athletes and coaches characterise the sports industry. This last element illustrates the relationship between individuals and the benefits of the companies they represent. Hence, athletes are becoming both employees of the enterprise and simultaneously a brand unto themselves (Tainsky & Babiak, 2011). The sports industry is also different from other organisations because it is characterised by transparency since the majority of the actions, outcomes, and behaviours are reported to the public by media. Hence, CSR has the potential to be a suitable mechanism for preventing misbehaviour and illegal actions (Babiak & Wolfe, 2009).

According to the authors Babiak and Wolfe (2009), there both are internal and external factors that influence the adoption of CSR in professional sports. Internal factors, from a

resource-based point of view, correspond to the resources available and which contribute to the competitive advantage; these are valuable, rare, and inimitable. More precisely, admiration, passion and identity are valuable and rare opportunities that companies operating in the sports environment could exploit to build and sustain their competitive advantage. Moreover, they are also inimitable in the sense that they cannot be replicated by organisations operating both within and outside the industry. For example, resources such as stadium characteristics or players attitude influence the day-to-day operations of a company, and they cannot be owned or duplicated by competitors.

On the other hand, the external pressures are context, content, constitutes, control, and cause. The context within the professional sports field is characterised by a healthy interdependence between the organisations and the surrounding environment; such as media, local communities, governments, and sponsors. This factor has a strong influence on the decision to adopt CSR since relevant stakeholders cannot be ignored. The content, instead, is described by the ability of firms in creating demands that are consistent with the goals present in the organisations (Babiak & Wolfe, 2009). Hence, managers when deciding whether adopting or not to adopt CSR, they have to take into consideration if social and environmental actions will have an influence on the outcome of other organisations, like sponsors, investors and so on. Constitutes are companies' employees, sponsors, players, fans, and they are crucial for the decision of the implementation or not of CSR activities. It could be, for example, that a player comes out with an idea regarding social programs or foundations. The final external factor is the cause; this refers to the expectations that society has. Since sports companies are eligible for receiving public funding, there is an external pressure in giving back to society.

In the context of CSR promotion, the International Olympic Committee (IOC) plays an important role. The official site reports the following definition:

“The International Olympic Committee (IOC) is a not-for-profit independent international organization that is committed to building a better world through sport. Created on 23 June 1894, just under two years before the first Olympic Games of the modern era in April 1896, the IOC is the supreme authority of the Olympic Movement” (Olympic, n.d).

In 2014, the IOC approved a 6-year plan, known as the Olympic Agenda 2020, which promotes the inclusion of Sustainable actions in all aspects of the Olympic Games as well in all day-to-day activities. Moreover, the Olympic Agenda 2020 is aligned with the SDGs set by the UN, primarily focused on the 12 SDGs that, as mentioned previously, address the problems interrelated to youth.

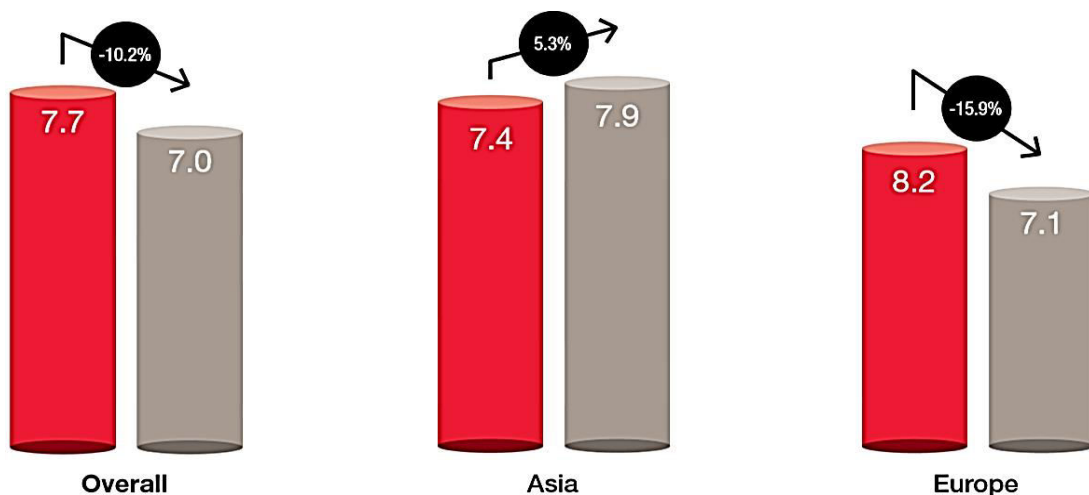
In conclusion, companies operating in the sports sector have to deal with many stakeholders, which play a fundamental role in the maintenance of both competitive advantage and financial performance.

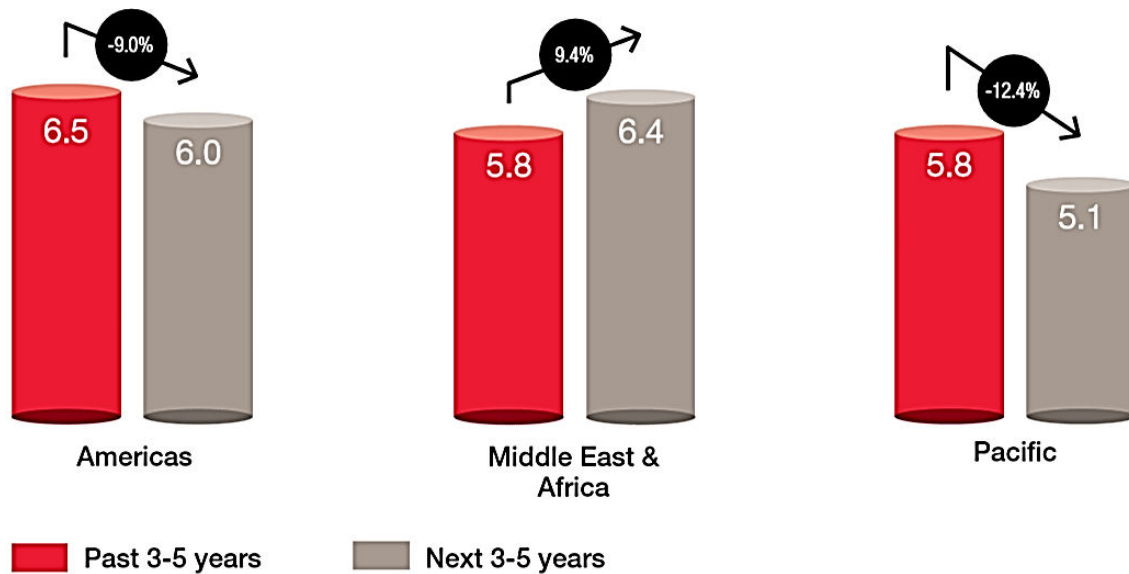
1.2.1 Sports' industry analysis

Nowadays, the sports market is one of the fastest-growing sectors; mainly thanks to new technologies and globalisation, which enable better broadcasting, new forms of social media, high-quality products, and advanced infrastructures (Pwc, 2018). If we consider all the sectors involved (sports infrastructures, sports events, sports hospitality, training, manufacturing, and retail), we have an economy that was worth 600-700 billion United States dollar (USD) in 2014. Of this total, the most considerable share is represented by "Sports apparel, equipment and footwear" surmounting to a total of 310 billion USD, followed by "Sports clubs (fitness, health and sports training)" with a total value of 105 billion USD (KPMG, 2016). Moreover, developing countries such as BRIC (Brazil, Russia, India and China) and Middle East region give new commercial opportunities, while there is less optimism for what concerns industry growth in both Europe and the Americas. (PwC, 2018). This data has been collected and analysed by PricewaterhouseCoopers (PwC) through an online questionnaire sent to selected leader companies in the sports industry. The overall perception of the industry leaders was that in the next 3-5 years there will be a stable market increase compared to the past and that the most exceptional circumstances could arise from developing countries.

This situation is represented in Figure 4 that the reader can find after this paragraph. More precisely, the red columns illustrate the percentage of annual market growth of the past 3-5 years, while the grey ones sum up the estimated annual percentage of market growth for the next 3-5 years. On the other hand, the black circle represents the percentage of either acceleration or slowdown in growth. Moreover, the results are firstly presented with an overall picture and then divided according to the specific region of the respondent.

Figure 4: Market growth outlook by respondents' region.





Source: PricewaterhouseCoopers (2018).

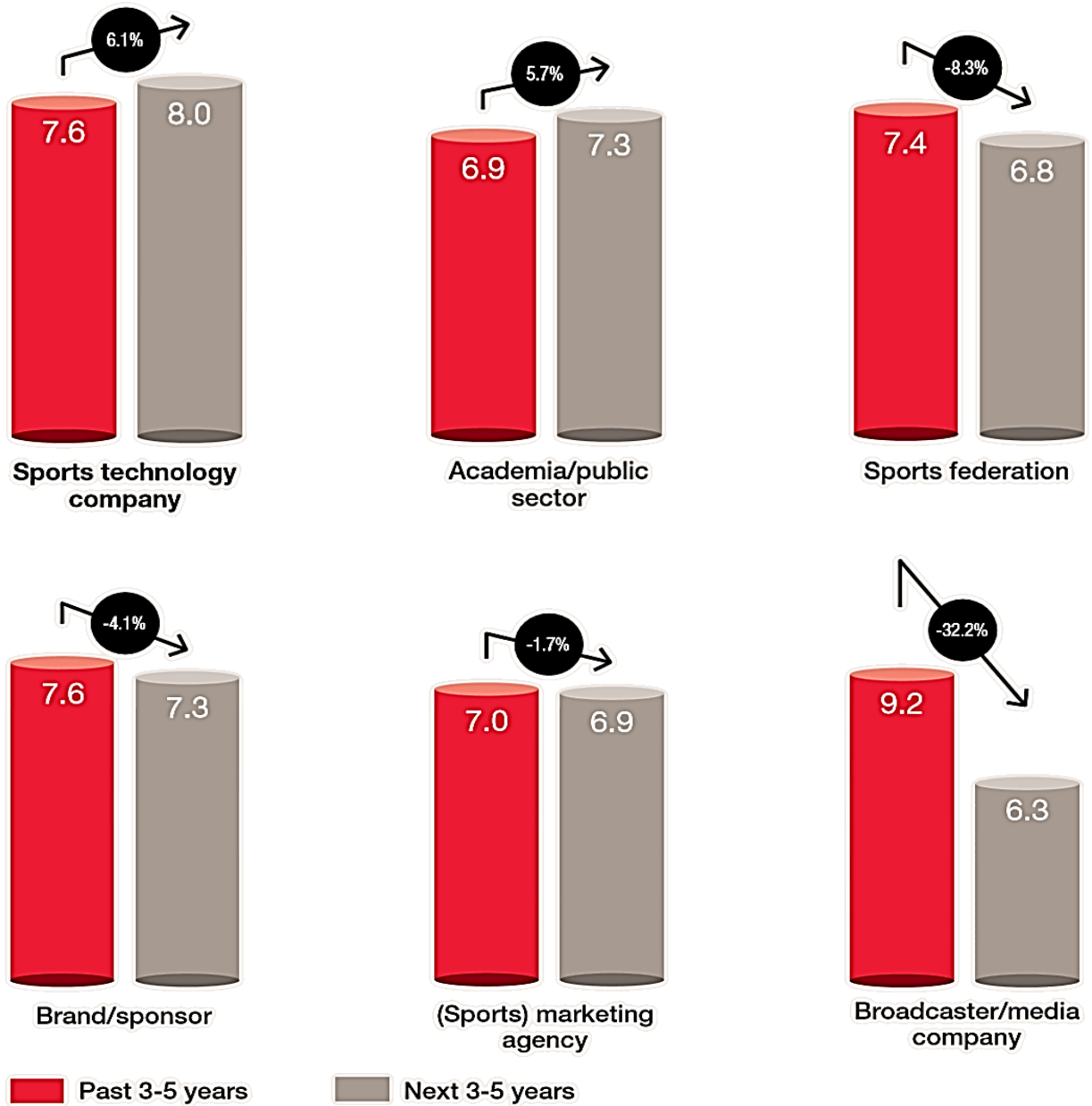
Moreover, athletes give new opportunities in the sports industry, since they are becoming their content creators by posting their latest news on social networks, evident through announcements of retirements, private problems, breaking free-agency signing and so on (Deloitte, 2019). This phenomenon has happened as a result of the growth in technology, new social and cultural trends which make fans aware that athletes are also affected by both social and sporting issues and are thus relatable to them (Deloitte, 2019). Development in technology has, likewise, made possible the occurrence of Augmented Reality (AR), which enables fans to get closer to athletes while receiving most important player statistics, highlights and scores of other games. One example of AR is CourtVision, developed by the Los Angeles Clippers, which allows fans to watch the game from different perspectives while giving them information about last statistics. Moreover, the audience has also the possibility to select different audio configurations (Deloitte, 2019).

Furthermore, according to "Deloitte's sports industry starting lineup" report, another future profitable investment is the "eSports" environment, which has experienced increasing sponsors engagement and hence many sports league have decided to integrate it into their portfolios. According to PwC (2018), this economy is expected to double in size by 2022, due to its potential ability to generate revenues globally.

On the other hand, if we take into consideration the future expected market growth from a stakeholders point of view, respondents belonging to the category "sports technology company" are the most confident about the market growth of the sports industry, thanks to developments in technology that is characterising these last years. The second category of stakeholder that is optimistic is the "academia/public sector" one, while there is less confidence for what concerns "Brand/ Sponsor" and "Broadcaster/media company" probably due to the increase in the price pressure and greater competition in these sectors. This scenario is presented in Figure 5, through the distinction between red and grey

columns. The former represents the "Market Growth Outlook" by stakeholders in the past 3-5 years. On the other hand, the latter reports the expected market growth outlook by stakeholders in the next 3 to 5 years. While, the black circle is the acceleration or slowdown per cent in growth.

Figure 5: Market Growth outlook by stakeholder.



Adapted from PricewaterhouseCoopers (2018).

For what concerns threats within the industry, the majority of the leader companies choose "Shift in consumer behaviour of younger generations" as their most significant concern for the future. This concern happens because young people no longer consider television as the dominant channel for sports entertainment, but rather, they prefer mobile devices such as

mobile phones and laptops. Thus, companies in the sports industry have to consider younger generation new preferences in order to attract customers (PwC, 2018).

Another problem identified by enterprises is the "Access to alternative entertainment formats (other than sports) such as Netflix and eSport contents, which, in turn, increase the competition in the entertainment economy sector, mainly because there is a decrease in consumers' willingness to pay for sports content. In conclusion, as already discussed, this scenario could be linked to the less optimism present in the "Broadcasting/ Media" companies for what concerns future market growth (Pwc, 2018).

1.2.2 In-depth analysis of the surf companies

The surf industry is experiencing a favourable economic period thanks to the ability of brands to take advantage of consumers' emotions and dreams. More precisely, surf companies are aware of the fact that customers view the surf environment as something that represents an adventurous life. Having said this, many people, even if they do not practice this sports discipline, decide to buy clothes from enterprises that operate within this segment (Surfer Today, 2019).

The first references of surfing activities can be found in Polynesia in the 12th Century (Warshaw, 2011), with later adoption also by other populations located close to the Pacific Ocean, such as those in Hawaii and Peru. However, it is only at the beginning of the 1900s, with the accounts from famous discoverers like James Cook, Mark Twain and Jack London, that the Occidental cultures became aware of this sport discipline and started traveling to famous surfing destinations (Warshaw, 2011). It is within this wake that, new professions started to arise primarily in Hawaii, where the local surfers organised themselves in different groups, known as the Beach Boys and started to give surf lessons to tourists that came to the islands attracted by this new discipline (Warshaw, 2011).

After World War II, through the creation of better materials (foam, fibreglass, and different production evolutions), new roads, cars, and cheaper travels made it easier for people to reach far-off surfing locations. These significant inventions such as the wetsuit, projected by Jack O'Neill, the 3-fin shortboard by Simon Anderson, famous film, such as *Endless Summer* as well as thanks to the music of the Beach Boys (Warshaw, 2011) allowed the boom in 1960 - 1970 of the surf holidays. During this period surf manufacturer companies started to spread, especially in the island of Oahu's North Shore, in San Clemente and Santa Cruz of California and the Golden Coast region in Australia. The factories were small businesses, with a limited market size, which were run by few local surfers, that projected, produced and marketed the final products to the customer that were in general from the same region. Moreover, all the surfboard's features were influenced by the wave's characteristics and the physical geography of the corresponding surf breaks (Warren & Gibson, 2017).

In the late 1960s in the city of Torquay, located in the Australian Victoria's Coast, three surfers, Brian Singer, Doug "Claw" Warbrick and Alan Green established Rip Curl. It is one of the first large enterprises created after the O'Neill in California in 1952. Rip Curl started producing wetsuits, with the slogan "made BY surfers FOR the surfers", which were sold to local shops and surfboard manufacturer. The localised market enabled the company to generate profit and gain customer loyalty for its high-quality neoprene suits, allowing Rip Curl to expand its retail shops also to United States, Europe, and South America in the 1980s. By 2008 Rip Curl experienced annual international sales for an amount of 400 million USD (Warren & Gibson, 2017).

Alan Green, one of the founders of Rip Curl, began to produce other related products, such as surfing shorts, known later as board-shorts; he also introduced the Velcro method for closing the wetsuit behind the neck, which allowed more freedom in the movements. The board-shorts, thanks to their comfort and different style, gained popularity within surfers and non-surfers alike. Moreover, they were a representation of belonging to surfing subcultures, something that gave the customers the idea of being different from society and leading in this way, to an unconscious co-creation within the market for the surf-wear (Warren & Gibson, 2017). Green decided to leave Rip Curl and establish his own brand, Quiksilver and approached another famous surfer of that time, John Law, for spreading his business also outside the Australian market. The plan worked and some years later, Quiksilver USA was created and became the first transnational surf industry enterprise (Warren & Gibson, 2017).

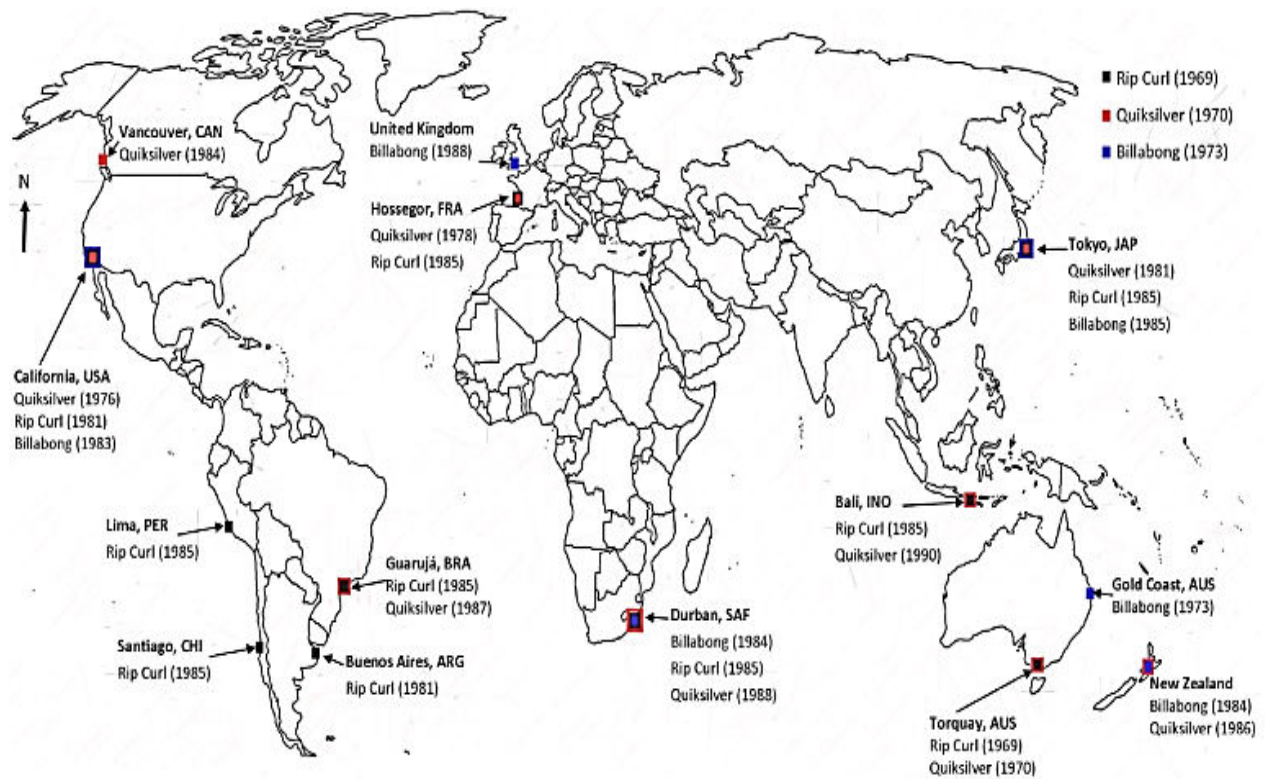
Billabong was the third surf company that was publicly listed. Its roots go back to the beginning of the 1970s when a surfer from Queensland, Gordon Merchant and his wife, began to produce handmade board-shorts. In stark contrast to Rip Curl and Quiksilver, which were from the coldest region in Australia, Billabong had the advantage of being located in the Gold Coast, where local surfers were able to wear surfing shorts all year-round. As Quiksilver, Merchant personally distributed all the surf apparel - which was not only limited to board-shorts but also included t-shirts and surf clothing - to the shops in the Gold Coast. This strategy, again, made possible the identification of customers with the surfing subculture bringing to profit creation for the company (Warren & Gibson, 2017).

These "Big Three" surf brands experienced even more significant economic returns from the 1980s until the 2000s when surfing tourism became a common practice; the surfing subculture lifestyle was the main driver in developing brand loyalty and geographic expansion through the adoption of licensing agreements and sponsorship deals (Warren & Gibson, 2017).

This business strategy allowed the big three corporations not only to reach customers that surf, but also those people that do not practice the sport. As we can see from Figure 6, the expansion occurred, especially in South America, the United States, Europe and South

Africa. The analysis encompasses the period between 1969 and 1990, and it considers only the following enterprises: Rip Curl, Billabong, and Quiksilver.

Figure 6: Global expansion of the “Big Three” Australian surf enterprises, 1969 – 1990



Source: Warren & Gibson (2017).

Due to this conducive environment, other companies decided to invest in the surf industry, such as Volcom and Hurley.

However, this successful period ended in the early 2010s, when both Billabong and Quiksilver went bankrupt. The significant determinants included economic crisis, the perception of losing the authenticity of the surf lifestyle, as well as, the increase in competition due to the cheapest retailers investing in the industry. Moreover, due to their public listed feature, they made business decisions to accomplish investors' requirements and not consumers' expectations, destroying in this way, the brand credibility (Compare the Surfbrand Website, n.d.). Thus, the surf industry is a volatile environment in which management has to keep updated with market characteristics and customers' needs since they change fast.

Nowadays, surfers are searching for local and customised surfboards, which are offered, more authentically, by small enterprises. Therefore, we have a fragmented market where big companies are still the leading players, as they are now investing capital in R&D, creating more durable goods, as well as in marketing strategy in order to attract millennials, which are the target due to their increasing purchasing power and desire to

differentiate from the others. Among them, we can find the already mentioned Billabong, Rip Curl, Quiksilver as well as O'Neill, Hurley, RVCA, Volcom and Roxy (Research and Markets, 2018). Moreover, for the period 2017-2022 the "Research and Market", one the largest market research store available in the World, estimated a Compound Annual Growth Rate (CAGR) of 6%, thanks to the above-mentioned millennials' desires, the introduction of surfing in the next Olympics Games and the increased awareness of the benefits brought by sports' activities (Research and Market, 2018). However, the majority of manufacturing companies are still located in the United States or Europe, where they produce and retail the final goods.

Furthermore, there is a high probability that more giant retail corporations will acquire the big companies, as so in the past with Volcom, has been incorporated by the French luxury fashion conglomerate Kering for 607M USD (Warren & Gibson, 2017).

Lastly, I have decided to present a case study about the main surf companies. More precisely, I am going to compare their social activities, their inclusion in the most reliable sustainability indices and their Code of Conducts. For doing this, I used secondary data collected directly from the information disclosed by the selected companies.

For what concerns the index designed, I have opted for "The 2019 Ethical Fashion Report" developed by Baptist World Aid, an international aid and development organisation established in 1959. The report has been developed by following the guidelines suggested by the International Labour Organization, the Sustainable Development Goals, and the United Nation's Guiding Principles for Business and Human Rights. More precisely, supply chain specialists, non-government organizations and company experts have assessed company's publications and have made direct contacts with the enterprises. The commitment of companies on their value chains is graded from A+ to F, where A+ is the maximum score and F is the minimum one. Lastly, the value chain is divided in three different stages: final stage, inputs and raw materials. For each of them the research considers the following impacts: policies, traceability and transparency, auditing and environmental management. I have made this choice since it is only report that considers almost all the companies I have selected.

The chosen companies are Rip Curl, Quiksilver, Volcom, Billabong and Hurley. Moreover, after their descriptions I sum up the collected data in Table 1. Rip Curl, as previously stated, is an Australian based firm, which adopts a "Rip Curl's Factory Workplace Code of Conduct". The latter states the general guidelines that each Rip Curl factory has to respect, especially for what concerns the relationship with the employers. Moreover, it defines the hours of work per day, the principle of non-discrimination, and the rules about the right compensation and so on. Furthermore, Rip Curl adopts an Environmental Policy, in order to limit the company's impact on the environment. More precisely, the company is trying to reduce the use of plastic bags, it supports local firms committed to environmental preservation, it utilises recycled materials and it puts effort for minimize its impact in each

stage of its production process. In addition, the “Rip Curl Pro Bells Beach” is the oldest professional surfing contest, which has “Waste Wise” accreditation, since the majority of the rubbish produced during the event is appropriately recycled. Lastly, based on the classification provided by Baptist World Aid, Rip Curl reached a grade equal to B+. (Rip Curl, n.d., Social Compliance).

Furthermore, Quiksilver, as already described, is one of the most famous Australian surf brand. However, its commitment to social actions is not very clear. The only information available in the Official Website is that the company has established the “Boardriders Foundations”, mainly a non-profit organization with the aim of enhancing the environmental, educational and healthy conditions of board riders across Australia. Moreover, it provides eco-friendly products thanks to the partnership with Repreve, which allows the production of boardshorts from recycled plastic bottles. However, there is no disclosed material for what concerns the adoption of both Code of Conduct and sustainable manufacturer. In addition, Quiksilver is the sponsor of two of the main events of the WSL, but the company does not disclose information on CSR strategy adopted during the contests. Lastly, the Australian brand has scored a C- based on the analysis of Baptist World Aid. (Quiksilver, n.d., Corporate Information).

On the other hand, the American based company, Volcom, is included in the index FTSE4good and its events, the “Fiji Pro” and “Volcom Pipe Pro” follow the GRI standards. Moreover, it developed the “Vendor Workplace Code of Conduct”, in which the firm states minimum standard that each vendor has to respect. More precisely, in the Code of Conduct the following areas are discussed: child labour, discrimination, health and safety, environment and compensation. Furthermore, Volcom has signed a partnership with Repreve as well. It developed giving back programs, thanks to which half million dollars have been given to non-profit partners and other community initiatives. However, the Baptist World Aid has not evaluated the company, thus I am not able to provide the reader with a sustainability score. Lastly, Volcom has increased both its recycling process of old clothes and the adoption of organic cotton. (Volcom, n.d., Sustainability).

The fourth company of this case study is Billabong. For what concerns this Australian company, the amount of information disclosed is limited. The enterprise does not provide the buyer with information regarding the value chain, social initiatives, production of eco-products, adoption of Code of Conduct and so on. Moreover, Billabong is the main sponsor of both “Billabong Pipe Master” WSL event and the “Billabong Pro Ericeira” WSL event, however, I was not able to find data about social initiatives adopted during the competitions. Finally, C- is the grade given by the research developed by the Baptist World Aid.

Hurley is the last company that I have decided to analyse. It is a parent company of Nike Inc. and it focuses its business on the surf manufacturing. As I am going to discuss deeply in the next chapter, Hurley adopts both Code of Conduct and the Code of Leadership

Standard that underline the minimum standards that each supplier has to respect. Moreover, it follows the GRI standards, utilises recycled materials, it adopts giving back programs and it tries to minimise the environmental footprint. In addition, Hurley sponsors the “Pro Tahiti”, but no information about social activities undertaken during the event is available. Lastly, Baptist World Aid scored the company with a B-. (Nike, Inc, 2019).

The above-mentioned analysis is summarised hereafter in Table 1, where the “✓” sign means that the company adopts the analysed variable, while, the “✗” sign sums up either that the company does not adopt the analysed variable or that does not provide information on the variable.

Table 1: Comparison of the main surf companies

COMPANY	CODE OF CONDUCT	SUSTAINABLE VC	GIVING BACK PROGRAMS	SUSTAINABLE WSL EVENT	SCORE
Rip Curl	✓	✓	✗	✓	B+
Quiksilver	✗	✗	✗	✗	C-
Volcom	✓	✓	✓	✗	✗
Billabong	✗	✗	✗	✗	C-
Hurley	✓	✓	✓	✓	B-

Source: Own work.

1.2.3 Partnerships and examples

In the past years, the application of CSR in the sports industry saw an exponential increase (Cortsen, 2013). In this context, one of the companies that have always implemented sustainable actions is Patagonia. Since its founding in California, in 1973, this family-owned business has produced outdoor clothes with the mission to “...save our home planet” (Patagonia, n.d., History of Patagonia). One of the first efforts for addressing the environmental crisis was made in the early 1970s when some of the members of the company went to the city council meeting for protecting a local surf break from the channelling of the rivers' mouth. According to the council members, the project had no impact on local wildlife since the river was already considered dead, thus, not vital for the local animals. However, Mark Cappelli, a 25-years old biology student demonstrated the opposite: many species still came to spawn in the river. Patagonia decided to sustain Mark both economically and logistically and in the end, the project did not see its day (Patagonia, n.d.). This event had a substantial impact on the idea of donation that the company had: from this moment on, Patagonia every year would donate either 1% of sales or the 10% of profit (whichever is the higher) to small groups that try to address the environmental problems, rather than to big Non-governmental Organizations (NGO).

Moreover, from 1988, the Californian company held education campaigns on different environmental issues. While from 1996, it started to utilise 100% organic cotton for all the outdoor clothes produced. Furthermore, it also introduced the Yulex, a natural rubber, as the main component of their wetsuits, instead of the non-renewable and old neoprene fabric. What is more, this new type of wetsuit is the first one that has been produced in Fair Trade Certified facilities, assuring in this way right working conditions as well as respect for the environment.

Within the supply chain, Patagonia introduced the Migrant Worker Employment Standards, which states general rules that the company's suppliers have to adopt in the hiring process, the wage payment and the respect of living and working conditions of foreigners workers. Moreover, Patagonia was the first Californian company to sign a partnership with B Lab, one of the most crucial accreditations in the Sustainable Business and which was already described in chapter 1.1.3.

Ashley Lutz in the online article "How Nike shed its sweatshop image to dominate the shoe industry" reported that back in 1998, during a conference in Washington DC, Phil Knight, chairman and chief executive officer of NIKE stated: "*The Nike product has become synonymous with slave wages, forced overtime and arbitrary abuse*" (Lutz, 2015). Nowadays, the sportswear company's strategy is far from different from the one in the past. It introduced the Code of Conduct and the Code Leadership Standard that suppliers are supposed to respect. The former is built upon four minimum standards: respect, fairness, safety and sustainability. More precisely, the suppliers should not hire workers younger than 16 years, they should provide compensation and benefits on time and they should deliver a safe workplace as well as minimise both carbon emission and air emission. The latter, Code Leadership Standard, on the other hand, provides guidelines on how supplier factories should implement the requirements mentioned above and information on how signs of progress is measured.

NIKE followed the GRI Standards in order to track their progress. In the last "Nike Impact Report" (2018), the Chief Executive Officer (CEO), Mark Parker, clearly stated the belief of the company: "*Sports can move the world forward as nothing else can*" (NIKE, Inc, 2019, page 5). For accomplish this vision, different targets had to be fulfilled in the year 2018. Within the most important ones, we can find three different categories: Unleash Human Potential, Transform Manufacturing and Minimize Environmental Footprint. They have been selected based on a long-term horizon since the final goal is to reach the 2020 targets, which follow the same type of categorization. For what concerns the Unleash Human Potential, NIKE is trying to develop and engage a healthier workforce by 2020. One way for measuring this target is by providing competitive and equitable payment to the people involved in the business. Furthermore, there is also the willingness to have a Community Impact by investing a minimum of 1.5% of pre-tax income in projects that have a positive impact on different communities. Nike, in this case, is measuring the achievement by trying to persuade its employees to provide their local communities with

time, money and experience. It is also tracking the progress by looking at kids (aged 7-12) and their participation in sports activities.

On the other hand, within the category Transform Manufacturing, we can find the following targets: Sustainable Sourcing, Engaged Workforce, Partnerships to Accelerate Industry Change. The first target shows that Nike wants to source 100% from suppliers that respect their definition of sustainability. The engagement of the workforce is assured by providing them bonuses and competitive wage. Lastly, the acceleration of changes in the industry is possible through an increased number of partnerships that try to support the different needs present both inside and outside the factories.

Minimise Environmental Footprint is the last category and is comprised of: decrease carbon emission, eliminate footwear market waste deriving from incinerating procedures, reduction of 10% in the environmental footprint and better management of chemical products.

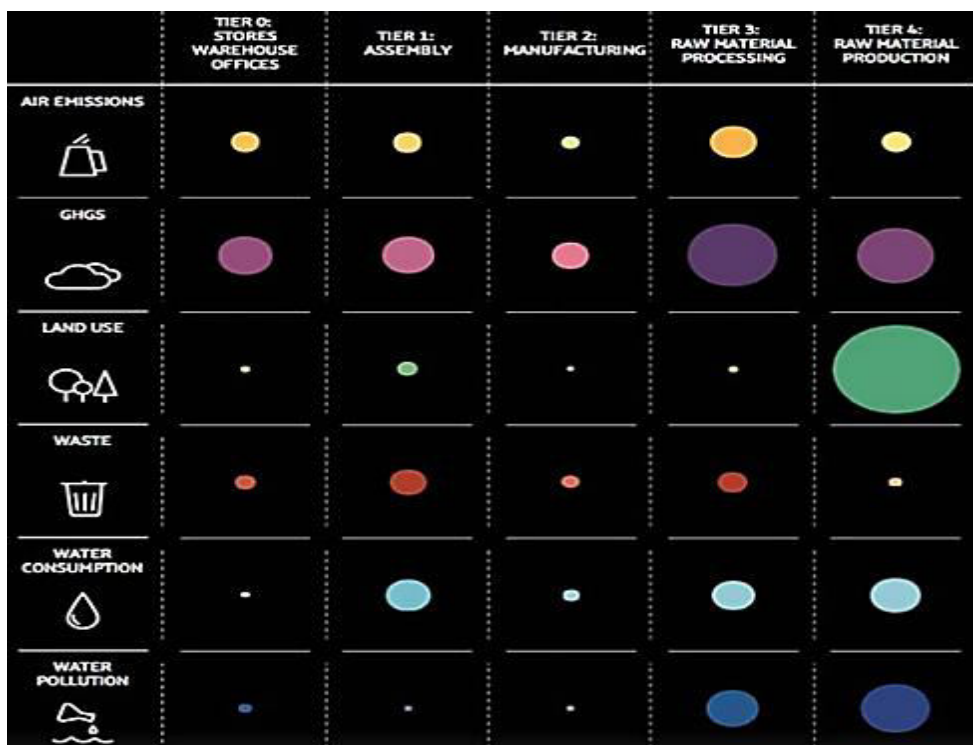
Lastly, it is worth noticing that the surf brand Hurley is included in Nike Inc., thus it has to follow those requirements during the production process as well as for what concerns the working conditions.

The last company that the author wants to present as an example of the application of CSR activities in the sports industry is Volcom. More precisely, Volcom is an American based company, founded in 1991, which focuses its business model in snowboarding, skateboarding and surfing industry. In their Official Website, the following idea is presented *“True to This. At Volcom, we envision a New Future where our oceans are strong, our climate is stable and society is fully engaged.”* (Volcom, n.d., Sustainability). New Future sums up the goal to turn sustainability goals into concrete actions to address the problematics correlated to environment and society. This vision was developed back in 2013 and initially was built upon a three-year plan for reaching the selected sustainability commitments. The pillars were:

- Adopt and utilise the Environmental Profit & Loss (E PL&L) Impact Management Tool. This approach was elaborated by Karing Group, a French enterprise leader in the fashion luxury industry to measure the environmental footprint both of the corporation and in the entire value chain for calculating its monetary value. (Karing Group Website, n.d.). It takes into consideration all aspects of the production process as well as the final product and its disposal. The variables that are taken into account are air emissions, greenhouse gas (GHG) emissions, land use, waste, water consumption, water pollution. Moreover, each of them is analysed in one specific moment, named Tier, of product's life-cycle. For what concerns Volcom, we have the following Tiers: Tier 0 (Stores, Warehouses and Offices), Tier 1 (Product Assembly), Tier 2 (Manufacturing), Tier 3 (Raw Material Processing), Tier 4 (Raw Material Production).

From Figure 7, which is presented after this description, it is clear that the most significant impact of Volcom occurs in both the Raw Material Production stage for the category Land Use and Raw Material Processing stage for what concerns the GHG section. While, the lowest impact could be found in the category of water pollution in Tier 0, Tier 1 and Tier 2 and Land in Use in Tiers antecedent to the fourth one. Thus, the company accomplished the target of implementing this management tool by 2016 and it was a useful indicator for taking better and more responsible future business decisions.

Figure 7: Environmental Profit & Loss (The E P&L)



Source: Volcom Website (n.d.).

- Reducing Emissions, Waste and Water, on the other hand, is still a work in progress because when the target was developed the E PL&L accounting tool was not used; thus, they believed that the last stages of the production were the ones in which more waste was produced. However, as we can see from the above figure, the opposite is true: the earlier tiers are ones in which actions should be taken for reducing the environmental impact of the company.
- Due to its cancerous features, Volcom wanted to eliminate the Polyvinyl (PVC) from its product lines. This third target was accomplished by 2016.
- Sustainable Products Mix Increase in offering more sustainable options to customers was reached.
- Deep Blue Surf Event Commitment. It is a way of running events in the most sustainable way possible. The guidelines are settled by Sustainable Surf, a Californian

non-profit charity organisation with the mission statement "*Be the catalyst that transforms surf culture into a powerful force for protecting the ocean playground*" (Sustainable Surf, n.d., About Us). Since 2012 all the primary professional surfing contests organised by Volcom, such as Fiji Pro and Volcom Pipe Pro, have followed the GRI standards, required for being considered a Deep Blue Event. In order to do this, Volcom had to reduce the environmental and social impact of the event and give concrete numbers for measuring the performance of each of the five major categories. The categories are as such: waste diversion, renewable energy, climate change, community support, transportation, and food. Volcom has to reach the minimum score required in at least two of the five categories.

- Give Back Programs Maintained was accomplished by donations to selected organisations that are significant to the relevant stakeholders.

Moreover, Volcom, inspired by these previous targets, has decided to further develop the New Future vision with new goals for the year 2020. In addition to the already described E PL&L and giving-back programs, the company introduced a new target: Responsible Manufacturing. More precisely, it refers to the production process, which has to respect specific standards. One example could be Bluesign approved fabrics, meaning that no chemical substances are used and that the workforce is protected and respected as well. Another example could be a partnership with Repreve, a unique technique to turn recycled plastic bottles into sportswear. In addition, other targets were set, such as messaging the New Future by using marketing tools, creating a new sustainability certification aimed to employees and the leadership of the company, an increase in the recycling process of old clothes and greater adoption of organic cotton as well as increase the proportion of recycled materials in polyester and nylon.

In conclusion, these are just a few of the examples and partnerships that we can find in the sports industry. The author has decided to focus on companies rather than associations or Non-profit Organisation (NPO) because it is easier to find data. Moreover, I strongly believe that the more significant problems are originated in value chains; thus, I was interested in seeing which solutions and developments are possible for the future

1.2.4 Limitations of CSR in the sports industry

On the one hand, the distinctive features of the sports industry create a favourable environment for the adoption of CSR; however, on the other, they could create a situation in which many limitations and risks manifest.

According to Giulianotti (2015), there are several critical issues within sport-based CSR. The first one is related to the difficulty in addressing the tangibility of the social benefits within CSR adoption. This is due to the final reports being revealed to the public, which illustrate the process rather than summarizing their final results. This issue arises because the "good actions" undertaken by the companies directly relate the positive image to the

final product. Second, companies that decide to implement CSR activities after an unethical event- such as the exploitation of children, pollution or gender inequality - face a reputation risk since those actions are seen from the society as an attempt to marketing makeover. Third, it could be that the National States use sports, culture, or recreational activities to gain attractiveness. This is the case evident in Qatar, which will host the 2022 World Cup finals since the Country has received many criticisms for its position against LGBT rights and treatment of migrant workers.

Moreover, Milton-Smith (2002) suggested that globalisation harmed CSR application in the sports industry. Thus, the reputation present in this environment has been negatively influenced by corruption, the winning-at-any-price mentality, cheating and doping. Another scholar, Roger Levermore (2010), whom also highlighted the fact that many of the CSR projects developed by sports companies are not related to business objectives, sustained this thesis; thus the public does not seriously take them.

Furthermore, the majority of the sponsors in the sports industry are involved in the production of unhealthy products, such as fast food, soft drinks, energetic beverages, or tobacco. Hence, there is a controversial situation in which these companies economically sustain the promotion of a healthy lifestyle in the efforts to attract a particular type of clientele and thus benefit from economic profit; however, at the same time, they also promote unrelated brands which ultimately hurt health overall.

Lastly, as previously mentioned in chapter 1.1.3 there is an intrinsic difficulty in measuring the CSR outcome of most companies, due to its subjectivity and volatility.

Moreover, other general arguments go against the firms' social involvement and that could be applied to the sports industry as well. First of all, Davis (1973) stated that costs related to the achievements of social goals are present. Examples could be new types of machinery, new equipment and training of the workforce. Second, it could be the case that business people do not have sufficient knowledge for implementing and understanding the social norms. Moreover, society could think that managers only pursue profit. On the other hand, CSR implementation could lead to a the dilution of the business's primary purpose (Davis, 1973), since business entities might centre the emphasis on social goals rather than on economic productivity and market shares. Moreover, there are the problematics associated with the imposition of both unequal costs among competitors and hidden costs. However, all these features create a favourable environment for further researches, solutions and projects - an environment within which this thesis is situated.

1.3 Relationship between CSR and financial performance

The complex relationship between CSR and Corporate Financial Performance (CFP) leads to inconsistent results from previous studies. This is mainly due to the wide nature of CSR, in fact, it is sometimes hard to identify if one activity is included or not in the definition of

CSR and thus it creates difficulty in measuring the results (Karyawati & Saraswati, 2019).

According to Cochran and Wood (1984), there are different ways for measuring both CSR and financial performance. For what concerns CSR, we have two generally accepted methods: reputation index and content analysis. The former takes into consideration the dimensions of the social performance of the selected firms. Moreover, knowledgeable observers make the evaluation. This method has the advantage of being internally consistent, because one subjective criteria is applied and measured in each firm. However, this subjectivity could be also a disadvantage as it raises unreliability concerns. The second method, the content one, consists in checking if one CSR activity is mentioned, numerically or qualitative, in firms annual reports. However, the subjectivity problem is present in this method as well, since the choice of the variables is discretionary. Moreover, firms could also manipulate the information disclosed. On the other hand, for evaluating the financial performance, a wide range of measures are present and they either could be included in investor returns category or in the accounting returns one. The investor returns consider returns from a shareholders perspective. The first index used was the change in price per share, further developed in change in price share plus dividends. However, both indices failed in measuring investors return since they did not consider risk, which is one of the most important dimension for investors. For what concerns accounting returns, on the contrary, financial performance is measured by looking at how different managerial policies affect firm earnings. Among them, we can find earnings per share and the price / earnings ratio.

Furthermore, the environment plays a crucial role, and thus it is not possible to separate CSR practices from the specific features that define it depending on the type of law, institutions, cultural inheritance and economic situation present in each specific case (Karyawati & Saraswati, 2019). According to Karyawati and Sarswati Countries' characteristics must be taken into account when the relationship between CSR and CFP is analysed. In the article "The complexity of relationship between CSR and Financial Performance," the authors reported previous studies that discovered essential differences between developed and developing countries. The former shows that companies located in developed economies are more prone to introduce social actions than the one located in the developing countries. This occurs due to differences in economic development, the ability to manage corporate governance, and the incapacity to communicate with different stakeholders. As a result, the majority of researches and studies are conducted in developed countries.

In addition, in 2012 in the article "Relationship between Corporate Social Responsibility (CSR) and Corporate Financial Performance (CFP): literature review approach", Raza, Ilyas, Rauf and Qamar analysed the relationship between CSR and CFP based on previous studies conducted on the subject between the 1972 and the 2012. The research utilises the content analysis approach, while CFP is represented by different variables depending on the study considered, among them we can find Market to Book Ratio, Return on Assets,

Return on Equity, Return on Sales and Stock Market Return. For what concerns the first variable listed, Market to Book ratio, we have that it represents how much equity investors are paying for each dollar in net assets. From the article emerged that the six previous studies analysed by the authors concluded that there is a positive relationship between CSR and CFP. On the other hand, if we take into consideration Return on Assets, Return on Equity or Return on Sales as indicators of financial performance, we have the following results: based on forty-five previous studies, thirty-five highlighted a positive relationship; nine studies concluded that there is no relationship between the two variables and one study showed a mix result. Lastly, the authors reported the relationship between Stock Market Return and CSR, from twenty-five previous studies emerged that eight of them found a negative relationship, seven found no relationship, seven studies reported positive relationship and three out of twenty-five studies found mixed relationship. In conclusion, as you can see from the Table 2, here below, we have that the majority of the studies analysed reported that CSR and CFP are positively correlated.

Table 2: Overview of Empirical Findings

Financial Performance Indicators	No. of Studies	Positive Relation	Mixed Relation	Negative Relation	No Relation
ROA, ROE, ROS	45	35 (77.8%)	01 (2.2%)	00 (0%)	9 (20%)
Market to Book Ratio	06	6 (100%)	00 (0%)	00 (0%)	00 (0%)
Stock Market Returns	25	07 (28%)	3 (12%)	8 (32%)	7 (28%)
Total	76	48(63.2%)	04(5.3%)	08(10.5%)	16(21%)

Source: Raza, Ilyas, Rauf & Qamar (2012).

However, we have no support for what concerns the reverse causal relationship. (Berman, Wicks, Kotha, & Jones, 1999). With that being said, another important study tried to isolate the effect that key stakeholder relationships have on financial performance, by taking into consideration the firm strategy. More precisely, Berman, Wicks, Kotha and Jones (1999) decided to focus their analysis on five major stakeholder categories: employees, the natural environment, workplace diversity, customers and issues of product safety, and community relations. Moreover, for capturing the strategy of the firms, the authors used the Hambrick's definition of operational strategy, which is based on four measures: cost efficiency, asset parsimony, differentiation, and scale/scope. For what concerns the first and the second variables, we have that they address the degree of cost leadership orientation of the firm. While, differentiation refers to the ability of the firm to charge above-market prices thanks to its capabilities of giving the final customer the idea that its product is unique. Lastly, scale/scope variable identifies the business's relative size and range of activities in its industry. In addition, the authors identified and analysed two different stakeholder orientation models: Strategic Stakeholder Management and the Intrinsic Stakeholder Commitment. The former is seen as an instrumental approach and it is based on Freeman's assumption that the ultimate goal of the firm is to enhance shareholders' value. This means that firms are interested in shareholders' wealth and all the

other stakeholders are viewed as an instrument for realizing this specific goal. Moreover, it is worth noticing that this approach has been analysed through a direct effect model and a moderation model. For what concerns the first method, we have that both strategy and stakeholder relationship variables have direct and separate effects on firm financial performance. While, in the moderation model only strategy variables have a direct effect on firm financial performance and the managerial orientation towards stakeholders have just a moderating influence. On the other hand, Intrinsic Stakeholder Commitment model is a Normative Approach. More precisely, it highlights the idea that firms have ethical relationships with their stakeholders, regardless of the expected profit. This means that companies firstly take into consideration their relationships with relevant stakeholders, and only later, based on this relation, make their strategic considerations, which in turn will affect firms' financial performance.

On one hand, the independent variables of the study are stakeholder relationships and the strategy, on the other hand the dependent variable is the financial performance, defined by the Return on Asset. Moreover, control variables are present as well. They are munificence, dynamism, and power, which all together constitute the operating environment. The operating environment represents the environmental uncertainty, mainly what organizations cannot control. Furthermore, the sample size is equal to 486, derived from 81 firms on 1996 Fortune 500 list, from which longitudinal data were collected for the period 1991-1996. In conclusion, the results of the study show that based on the strategic stakeholder management point of view, only two of the five variables analysed for evaluating firm's stakeholder posture have a direct influence on financial performance. The two variables are employees and product safety/quality, while the other three (community, diversity, and the natural environment) have only a moderate effect on the strategy-performance relationship. Hence, employees and product safety/quality could improve firms' financial performance through a differentiation strategy. On the other hand, from an intrinsic stakeholder commitment point of view, none of the five variables directly affects the financial performance, thus, in this specific study; strategy is not empirically driven by stakeholder relationships.

Moreover, the general idea is that socially responsible actions could generate costs for companies that decide to adopt them. This belief was previously illustrated in this thesis when Friedman's point of view about the adoption of social actions was described. On the other hand, stakeholder and legitimacy theories are based on the concept of profit creation from the adoption of CSR, because of better communication channels and employees' motivation due to more open access to resources and higher internal legitimacy (Karyawati & Saraswati, 2019). However, both theories do not provide a clear explanation of the influence of CSR on financial performance.

The Stakeholder Theory further developed by Waddock and Gain and previously named Good Management Theory, states managers should find new and more profitable ways to enhance company's intangible assets in order to sustain and increase their competitive

advantage, rather than focusing on their financial performance. However, the authors believe that by focusing on the relationship with stakeholders, the enterprises will also benefit from better financial performance (Fauzi & Idris, 2009).

Furthermore, the Slack Resource Theory places CFP before CSR, meaning that a good financial position enables an effective CSR strategy. Following this, a study dated back to 2015, made by Kenexa High-Performance Institute in London, found that the organizations that provide a genuine Corporate Social Responsibility tend to outperform the one that did not. They also provide a higher level of employee engagement as well as a better standard of customer service (Tennant, 2015).

In conclusion, the relationship between CSR and CFP can be positive, negative or neutral, due to the specific characteristics of the industry in which the companies operate, since there are different factors that influence the adoption of CSR. The first factor influencing the financial performance is the company size, from previous studies emerged that the bigger the company, the higher the probability of engaging in socially responsible actions, since the public expectations are intense (Waddock & Graves, 1997). The second factor in the industry is the environment since expectations and requirements are different depending on the business.

1.4 Globalization effect on CSR

The twenty-first century has been characterised by the influence of globalisation on the economy, social customs, politics and environment.

Economists first used the word "Globalisation" in the 1980s. It describes the economic relationship between populations and big companies, rather than the progressive growth in world trade, which brings an economic, cultural and health convergence between countries (Beck, 1999).

However, this phenomenon was present in the past centuries, when it was identified as the internationalisation of production activities, commercial exchanges, as well as, exploratory journeys and wars of conquest.

It occurred primarily to the development of technology, which made the dislocation of the production process possible in different countries; secondly, due to improvement within the transportation channels. Hence, both more and less economically developed countries have experienced drastic changes in their economies; the former started to move the production part of the value chain (VC) in the developing countries, while the R&D, marketing and the post-sales phases are still conducted in the modernised economies.

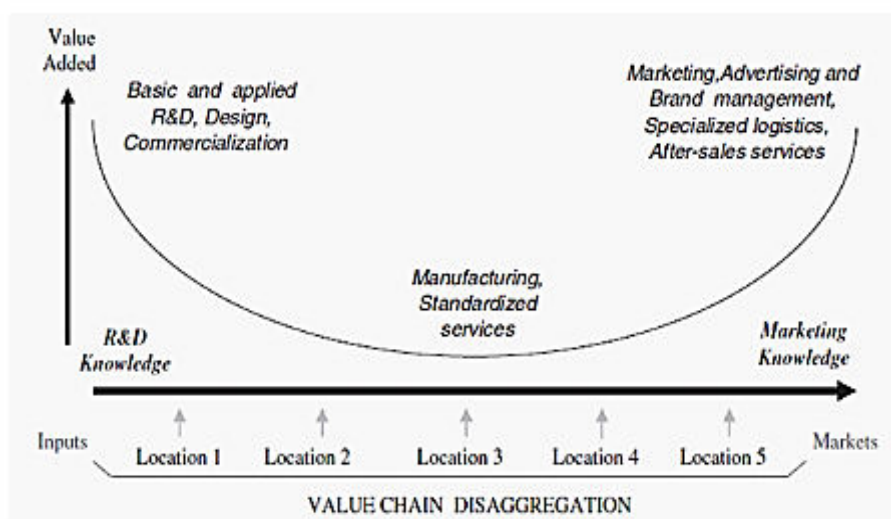
The Smile Curve, reported in Figure 8, sums up this event. The Y-axis of the graph shows the variable Value Added and the X-axis displays the markets in which the task is operated. As we can see, there is a high fragmentation of the production paths since

different activities are performed in different locations (Mudambi, 2008). The smile curve follows a U-shape line with five different activities of VC located along the curve depending on the stage of the production and the amount of the value-added. The activities can be grouped into: upstream (R&D, design, commercialisation), intermediate (manufacturing and standardised services), and downstream (marketing, advertising, brand management) (Rungi & Del Prete, 2017).

We can see that the majority of value-added is generated in the upstream and downstream processes that usually are conducted in more developed countries due to their complexity and specificity. Moreover, in these processes, lower replacement is present. On the other hand, the standardised phase takes place in developing economies, and even if it is the most extended process, the value-added is low (Rungi & Del Prete, 2017). Moreover, it is worth noticing that the curve in the past followed a flat path, rather than a U-shaped trend.

According to OECD Observer, the deepening of the smiling curve could have been caused by the decision of OECD Countries to offshore the labour-intensive and manufacturing processes to developing economies.

Figure 8: The “smile curve” in value creation



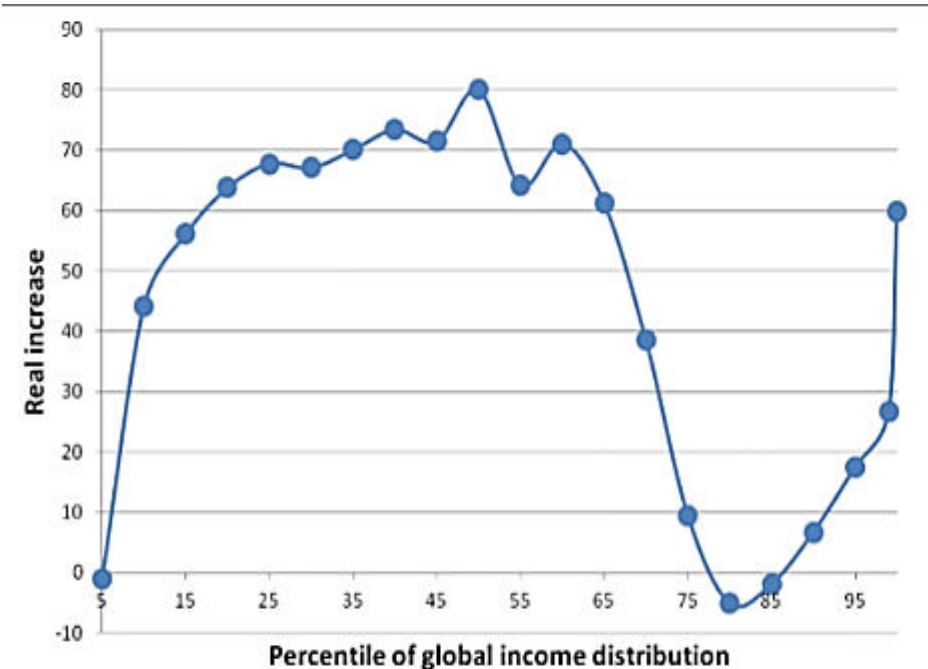
Source: Mudambi (2008).

This situation, on the one hand, leads to an increase in wage inequality both within and between nations and on the other more Foreign Direct Investments (FDI) and information sharing. Moreover, because of globalization, many companies decided to establish subsidiaries in other nations, which, in this way, became aware of cultural differences, social and environmental problems (Thomson, 2002). For these reasons, globalisation and CSR are strictly linked: society became more exigent about the behaviour of multinational organisations; furthermore, it also believes that CSR is one of the most efficient tools for solving the negative consequences of globalization and global problems in general

(Thomson, 2002). Furthermore, shareholders are now interested in long-term profits derived from sustainable companies that take care of fair-distribution of goods, respect of rights and environment as well as fair procedures (CASI Global Website, n.d.).

The concept of wage inequality and globalisation is represented in Figure 9 by the Elephant Curve line. It is a theory developed by Branko Milanovic (2013) for the Poverty and Inequality Team, Development Research Group and it encompasses the period between 1988 and 2008. Moreover, it has the scope of understanding the change in real income in different populations. More precisely, in the X-axis we can find the Percentile of global income distribution with values of percentile starting with 5 and ending with 95. The general increment is five, with the only exception of the top 5%, since it is divided into two categories: one that is between 95th and 99th percentile and the second that is represented by the top 1%. On the other hand, in the Y-axis, we find the Real Increase in percentage change in real income, which is measured in constant international dollars. Furthermore, the curve follows an irregular path that results in a line that is similar to an elephant. The idea represented is that the winners of globalisation are people belonging to the top 1% (very reach) and the middle class of emerging Countries (China, India, Indonesia and Brazil), which are represented by the portion within the 50th and 60th percentile. However, significant gains have also been made by the population between the 15th and 35th percentile, with an increase in real income of a range between 40% and almost 70%. On the contrary, the losers are the bottom 5%, represented by populations that live with a capital income of less than 1.25 PPP dollars per day and the global upper-middle class, 75th-90th percentile, with a substantial decrease in real income.

Figure 9: Change in real income between 1988 and 2008 at various percentiles of global income distribution (calculated in 2005 international dollars)



Source: Milanovic (2013).

The sports industry has not been immune to globalisation, and thus shows its influence in the economy, politics and way of thinking (Wright, 1999). First, in recent years, there was an increase in the involvement of large telecommunication companies in the sports industry, such as Walt Disney and Time-Warner. They used sports for marketing purpose as they control the majority of sporting events schedules, communication and production. According to Andreff (2008), sports shows and sports mega-events are the most globalized features of the sports industry with a rapid increase in the audience thanks to television broadcasting. Moreover, there is a form of globalisation of sponsorship, with a new trend of associating a sponsor's name or label with a stadium/sports arena rather than a singular athlete. Second, international bodies (i.e., FIFA, International Olympics Committee...) generate profit by the sales of television rights to Transnational Corporations. Third, there is a proliferation of foreign athletes in national championships, especially in the football market. Concerning this last point, new international regulations have been applied in order to limit and control the transfer of teenager players (Andreff, 2008). Lastly, due to the increase in world trade, the abuse of doping by athletes has expanded exponentially (Andreff, 2008).

Globalisation is crucial nowadays; it makes possible the dislocation of production in developing countries, where the labour costs are lower, involving several stages in different nations, creating in this way, a global supply chain. On the other hand, even if the control is more accessible than before, shareholders and managers do not have direct supervision on the different production paths, thus, creating an optimal environment for forced labour. The risk is more present in industries that rely upon low-skilled or unskilled labour, where the workers are usually less specialised and are willing to perform jobs that no one else wants to do. Moreover, seasonal sectors are risky because, in periods of the year when demand increases, companies hire individuals desperate for work, thus meeting the demand efficiently with little expense albeit somewhat unethical.

In conclusion, because of the rare link between sport and society, I believe that in the next years more companies will decide to adopt social actions in order to contrast the negative perception that people have towards globalisation and international trade.

1.5 Impacts on competitive advantage

In 1991 Barney stated that a company creates competitive advantage when it implements strategies that have the potential to add value to the company, competitors are not simultaneously implementing that and no one else can duplicate them.

With this in mind, Porter and Kramer (2006) reported four motives for adopting CSR. The first one is the moral obligation, which refers to the willingness of companies to engage in

CSR activities because they feel that it is the right thing to do. However, this does not take into account the financial costs of the activities.

The second motivation is sustainability, a concept strictly linked to the triple bottom line approach and which is inherently linked to the sustainability of competitive advantage. Furthermore, in the article, the two authors provide the following definition: *“In other words, companies should operate in ways that secure long-term economic performance by avoiding short-term behaviour that is socially detrimental or environmentally wasteful”*. (Porter & Kramer, 2006, p. 4).

The third is the license to operate, which encompasses the importance and consent of all stakeholders influenced by the day-to-day business operations. This approach is more common in those companies that need the agreement of governments, unions, or local communities in order to operate. However, by doing that, the primary control is relinquished to outside stakeholders, which usually are not aware of the corporation's capabilities, competitive positioning and trade-offs.

The fourth and last justification for CSR is the reputation: many companies state that they adopt CSR in order to improve their image and furthermore to strengthen the brand and consequently raise the price of their stocks. As in the previous approach, enterprises rely mostly on the satisfaction of external audiences.

Furthermore, Burke and Logsdon (1996) described five dimensions of CSR that could bring to a competitive advantage and stakeholder satisfaction. The two authors stated that those activities that are characterized by centrality, specificity, proactivity, voluntarism and visibility have a higher probability of generating value for the firm.

Centrality describes the alienation of the CSR strategy adopted to the objectives and mission of the company. Activities with high centrality are more likely to generate revenue for the firm.

Specificity, on the other hand, is represented by the firms' ability in capturing their private benefits, referring to the capacity of an enterprise to take advantage of the benefits produced by its CSR activities before any other competitor. Camarena and Wendlandt Amezaga (2017) have noticed that this concept has been suggested, in addition, by Porter and Kramer (2011, 2006) stating that there is shared value between the organisation and society only if the former aligns its CSR projects to the businesses' key activities.

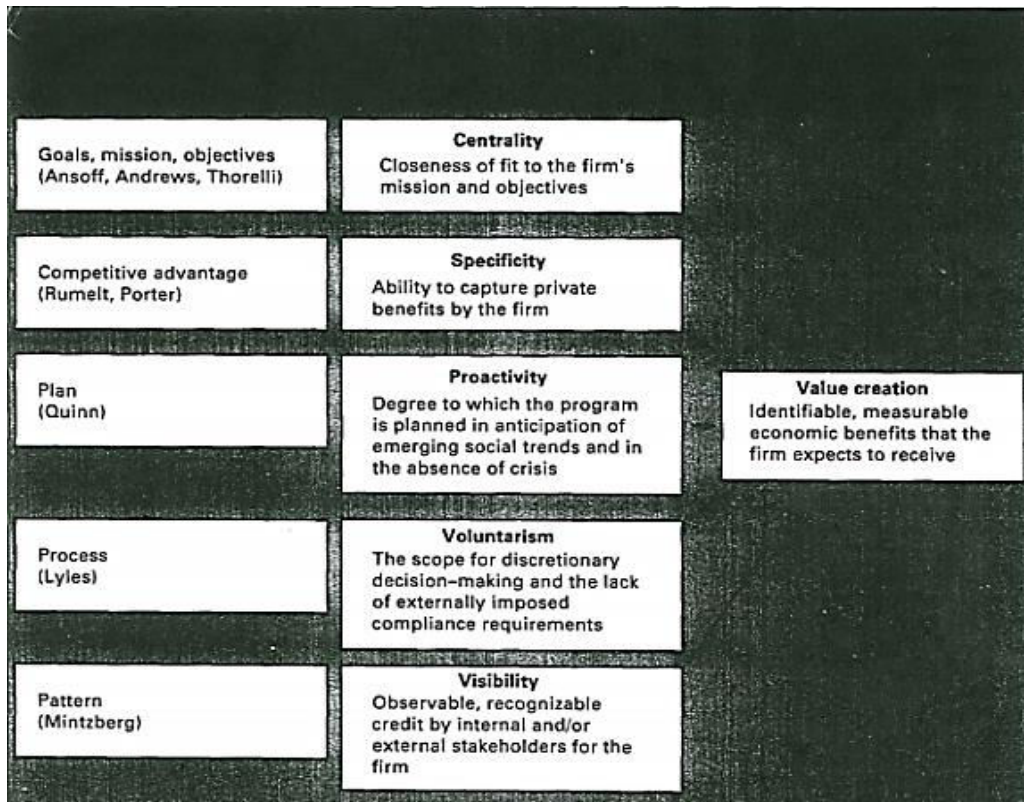
The third dimension is proactivity. The companies that formulate and plan CSR activities and take into consideration future possible new laws, economic downturns, technological changes, could ultimately generate higher value than the ones that do not do it.

Voluntarism is the fourth dimension and represents the social activities deliberately undertaken by companies, without the imposition of external factors, such as legislation,

stakeholders, or social constraints. Lastly, visibility refers to the observable features of a business. More precisely is recognition of a company after adopting CSR and the perception that gives to external as well as internal stakeholders. The authors believe that the higher the visibility of a CSR action, the greater the value created.

All the features are summarised in Figure 10, in which we can see a general description of the different elements that bring to value creation.

Figure 10: Value Creation Dimensions.



Source: Burke & Logsdon (1996).

For what concerns the sports industry, Shilbury (2012) suggested the management of competition both on and off the field is one of the most critical factors for generating competitive advantage. Moreover, competition is the element that makes possible the distinction between sport and recreational activities in general. In the article "Competition: The Heart and Soul of Sport Management" Shilbury states that a well-formulated strategy is a necessity since the off-field outcomes are visible to the public, which in turn have a substantial impact on the value creation.

2 RESEARCH ON CORPORATE SOCIAL RESPONSIBILITY IN SPORTS ORGANIZATIONS

This second part of the thesis focuses on the quantitative framework of the research. I will analyse data collected through an online questionnaire and the information disclosed by companies that operate individually in the surf industry. The results will be presented and examined by following the general guidelines described in the first part of the paper.

I will first outline the methodology of the research, constitute of its purpose, the approach used, and explanations of how data have been collected. Second, the research results will be illustrated and discussed. Moreover, the primary goal of the chapter is to prove the fundamental questions of the study. All of which culminate with the understanding of the link between CSR and financial performance, the influence of globalisation on CSR as well as the impact of social actions on the competitive advantage of companies operating in the sports industry.

2.1 Research methodology

Concerning the theoretical framework in the first part of the thesis, as already explained, I have mainly adopted the concepts of the triple bottom line approach and SDG targets for presenting a general idea of the CSR concept, its benefits, measures, and limitations. Moreover, examples in sports industry were listed, and a qualitative explanation of the central questions was illustrated.

However, according to Newman, Benz and Ridenour (1998), when a researcher begins with hypotheses, a quantitative method is needed for confirming or discounting the theories. Hence, in the next sections, I will take into consideration both primary and secondary data. The former was collected through a questionnaire distributed to select companies in the surf industry. The latter, on the other hand, will consist of data collected from their Annual and Sustainable Reports, as well as Official Website and other disclosed information. I have opted for an online survey because I believe it is the best method for gathering information about people's beliefs and actions and for concluding a general trend in society.

Evans and Mathur (2006) in the article "The value of online survey" listed the pros and cons of online surveys. For what concerns the pros, we find that they give the possibility to reach a global public; they are flexible and speed since there is real-time access to information independently to the geographical locations. Moreover, respondents can answer the survey at the moment that best suits them and the data collected are easily accessible. However, the two authors describe also the major weakness of this method for collecting information; first, individuals could have the perception of a junk email and therefore not receive the content or simply discard it. Second, the access to the internet is still fragmented, especially in developing economies where men have more access to

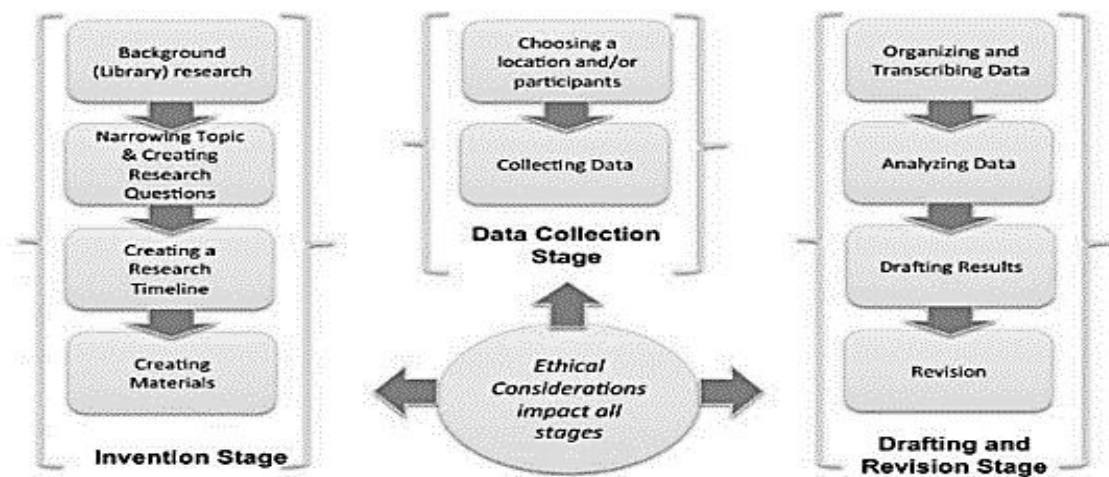
technology than women have. Third, online surveys are impersonal and could raise doubts about security issues. Lastly, it has been observed a low response rate for this procedure.

This type of approach for collecting data is known as Primary Research Project and it is usually based on the scientific method developed by John Stuart Mill, with the aim of learning something new during the process (Driscoll, 2011). Furthermore, the primary research could be of two types: deductive or inductive. The former is the method that I have decided to use for my study and it is characterized by a process that starts with relevant hypotheses and only later with the collection of data that are relevant for the analysis (Driscoll, 2011).

Later in the article, Driscoll (2011) described the research process and he provides the reader with a picture of the process structure. Moreover, I have decided to report the before-mentioned figure after this description in Figure 11. We can see from it that the first phase is the Invention Stage, which, in my case, has been developed and explained in the first part of the thesis. It was done by developing and describing the central questions and by the creation of the online survey. Later, the second phase, the Data Collection and the third one, the Drafting Revision, will be analysed in the following chapters.

Moreover, academic journals and articles will be used. Finally, for the selection of the companies, I will use the benchmarking technique by looking at their similar scope, size and final customers.

Figure 11: The Research Process.



Source: Driscoll (2011).

2.1.1 Purpose of the research

As already stated in the introduction, the thesis purpose is to provide the reader with a deeper understanding of how the implementation of socially responsible actions influences the companies that operate in the sports industry.

Moreover, I have decided to report the fundamental research questions also in this chapter since the quantitative framework has the function of reporting the main findings of the research that are based upon the three pillars of the thesis:

- Do company in the surf industry adopt a CSR strategy?
- Which are the areas where surf companies have active social responsibility programs
- Which are the motivations behind the adoption of CSR activities in the surf industry?

Through the online survey, I tried to reach small companies operating in the sports industry in order to add more information to the ones already disclosed by big public corporations. Furthermore, with this research, I want to broaden the available knowledge about the influence of CSR on competitive advantage and the financial performance, since I believe they are the elements that most influence the decision of whether adopting or not socially responsible actions.

Finally, I have decided to develop this topic because I was attracted by the pioneer announcement of the World Surf League (WSL) to introduce equal prize money for both men and women in all the events of the tour from 2019 on. WSL became in this way the first US-based global sports league to apply an equal payment, no matter the gender. (CNN Website). Moreover, the inclusion of surf in the Olympics Games in Tokyo 2020 was another determinant factor for my decision to study the CSR strategy in this sports discipline.

2.1.2 Research approach

Fowler in 2004 stated that a survey is a nonexperimental design of quantitative method that tries to describe a trend in population by choosing a selected sample and making a conclusion from the results.

As already stated, the thesis is based on close-ended questions reported in an online survey on Google Docs sent it to select companies in the surf industry. The completion of the survey takes approximately 4 minutes, it is anonymous, and the answers are reported in an aggregate way. However, before sending the invitation to fill the questionnaire, I wrote an informative email within which I gave information about myself, my research, and the features of the questionnaire. This was done to limit the problematics associated with spam emails and for answering to possible doubts beforehand.

Furthermore, I decided to structure the survey as such: the first two questions are the same for every company, and they are related to the type of business (surf schools, surf association, surf house...) and the size of the company (number of employees). For what concerns the first inquiry, the respondents can choose different options depending on the business that they ran. On the other hand, the second question has logically only one possible answer, in this case, the replies are based on a range of value; the lower limit is represented by less than five employees, while the upper one is "maximum of 50 employees".

"Does your organization adopt a CSR strategy?" is the third question, and it is the most important of the research since it represents the turning point of the analysis. There are four possible options, but the respondent could choose only one. The first one is selected if the enterprise has currently not adopted a long-term CSR strategy and, what is more, it has no intention to implement one in the future. The second option is designated to those enterprises that currently do not adopt a long-term CSR strategy but have the plan to introduce it in the following years. For what concerns the third and fourth alternatives, on the other hand, we have that they represent the businesses that a) adopt a long-term CSR strategy but it is not formalized, b) adopt a CSR strategy, and it is formalized.

From this point on, the next five questions are built upon the given answer to the third query. If the respondent selects either the first or the second option, the survey will follow the path of the "hypothesis", such as "*If your organization had a CSR strategy in which of the following area would it develop socially responsible actions?*". On the contrary, if the respondent chooses the third or the fourth option, the questionnaire will be based on the same questions of before, but without the if clause (i.e., "*Select the area in which your organization currently has active social responsibility programs*"). I wanted to make these distinctions because I believed that the majority of the enterprises that would accept to fill the questionnaire are the small ones. Thus, there is a higher probability that they have not implemented CSR and, if they do, usually the strategy is not formalised.

Lastly, the next sections are again equal for every company. They encompass the social and personal sphere, like gender, role in the organisation, age... I have placed them at the end of the questionnaire because usually, the people's concentration decreases as they go through the questions. Hence, it is easier to reply to personal inquiries as to the last ones.

As the last step, the respondent can write its email address for receiving the results at the end of the research. This step, in order to create a link with different companies.

Moreover, I looked at CSR reports disclosed by big public listed enterprises, which usually are harder to reach through emails

2.1.3 Data collection

In this section, the collection of data is analysed. According to "Research Methodology," there are two ways for collecting data: primary and secondary. The latter focuses on data that are already available to the public through previous publications or research. While the former is based on first-hand sources selected by the researchers.

Different techniques are present in order to collect the information required to develop a study. Since in my thesis theoretical as well as an empirical method are present, I wanted to collect data directly from the companies (primary data collection). Moreover, there is a lack of info for what concerns the adoption of CSR strategy in the surf industry. In my opinion, this is mainly due to the specificity of the topic and the industry complexity, which is characterised by high fragmentation.

I have chosen different companies by following the benchmarking technique. More precisely, it is based on the idea of comparing different companies in order to find similarities between each other. I decided which enterprises to include by looking at information disclosed in their websites. Furthermore, I was interested in businesses that operate exclusively in the surf industry since it is the main topic of my thesis. However, within the survey, there are specific sections dedicated to those enterprises that do not adopt one. Moreover, I believe that in order to analyse the motivation behind the endorsement of socially responsible actions, it is useful to understand why some managers decide to implement CSR, and some others do not.

On the other hand, for what concerns the geographical location of the companies, no restrictions were made. I knew that in some countries (USA, Australia, Spain, Costa Rica...), the surf industry is more popular than in others; hence, I focused my search on the former because I believed that there was a higher probability first to find enterprises and second to receive a response.

In conclusion, the number of companies that I was able to reach through email is 175. This result is not obtained through a random picking since some restrictions were placed during the decision process for not causing biases in the analysis.

2.1.4 Structure of the sample

The structure of the sample section is the most crucial part of the quantitative framework. Within the 175 companies selected, twenty replied to the informative email, however, only nineteen filled-in the survey.

Of those nineteen enterprises, the 36.8% selected that they operate in the Surf School market, 21.1% in the Surf Wear market, and the same percentage applied to the Surf Manufacturing market. Moreover, two companies chose the variable Surf House. While

another one, corresponding to the 5.3% of the total reported the option of Surf Photographer. Additional enterprises wrote the following variables:

- Surfboard Recycling
- Humanitarian Aid Organization
- Coworking/ Surf/ Hostel Media
- Coastal Conservation nonprofit
- Surf Travel Agent and Not for profit hotel
- Surf school and community outreach center

Furthermore, none of them chose the option Surf Association. It is worth noticing that the selection of multiple options was possible.

The second question described the size of the company, the majority of the companies have less than five employees equal to the 52.6% of the total, the second most chosen option was "more than 50 employees" corresponding to 26.3% of the total. Moreover, three enterprises have 5 to 10 employees and only one 21 to 50.

The next section will focus on personal questions. We have that the predominance of the organisation's business type is "*sole proprietorship*" with a 31.5% of the total, followed by "*LLP/LLC*" with 26.3%, and "*Corporation*" with 15.7%. Moreover, 15.7% of the respondents are "*Non-profit entities*". One is a "*Charity with fiscal non-profit sponsor*" and the last one is an "*S.L and S.U*". Furthermore, the predominant geographical location is "*Europe*" (seven companies out of nineteen), followed by "*North America*" (five companies) and "*Africa*" (three respondents). Moreover, two enterprises have headquarters in Asia, one in Oceania and one in South America.

Also, 57.8% of the respondents are the CEOs of the company, while 21.05% are employees. One person represents the "*Marketing Lead*" position, the "*Founder & Owner*" by one and "*COO*" as well. Moreover, another respondent was the HR Manager of the company. On top of that, the majority of the respondents are between the ages of 30 to 39, corresponding to 42.1% of the total. Moreover, 26.3% of the sample is between 20 to 29. Three people fell between the range "*40 to 49*", two in the "*60*"s and lastly one between "*50 to 59*". Finally, twelve out of nineteen are men, representing 66.6% of the total. Furthermore, thirteen respondents specified their emails for receiving information about the final results of the research.

2.2 Research results

"*Does Your organization adopt a CSR strategy?*" is the third and most important question of the survey. As we can see from Figure 12, eighteen companies selected the option "yes"; twelve have long-term plan that it is not formalized, while six have a formalised long-term

CSR plan. On the other hand, only one selected the option "No, we have no long-term plan at all, but we will develop one in the future".

Figure 12: Does Your organization adopt a CSR strategy?



Source: Own work.

Firstly, from this point on I will report the responses of the eighteen business entities that have a long term plan and following this I will analyse the results of the single company which does not have a long-term plan.

Furthermore, in question 4, I asked to select all the areas in which the different companies have active social responsibility programs. The results are presented in Table 1 after this description. As we can see, the majority of the companies (sixteen out of eighteen) implement programs in favour of the environment. Moreover, 83.3 % of the respondents chose the variable "supporting local communities". The third most chosen option was "Promoting employees well-being", followed by "Supporting gender equality" and "Performing acts of Charity". Furthermore, nine companies have active social responsibility programs in the field "Supporting disadvantaged pupils", eight in the area "Supporting minority groups" and one in the "Coastal conservation". Lastly, one company reported its variable "We make money to support our children's refuge".

Table 3: Report of active social responsibility programs.

Social responsibility program	Number of companies	%
Supporting local communities	15	83.3
Supporting minority groups	8	44.4
Supporting gender equality	9	50.0
Supporting the environment	16	88.9
Performing acts of charity	10	55.6
Supporting disadvantaged pupils	9	50.0

Promoting employees well-being	11	61.1
Coastal conservation	1	5.6
We make money to support our children's refuge	1	5.6

Source: Own work.

As already described, the fifth section of the survey is focused on the motivation behind the adoption of CSR. The majority of the respondents select “*Have an impact on the World*” with a percentage of 55.6%; the second most-selected option is “*Employees Satisfaction*” with a percentage of 16.7%. Moreover, two companies opted for “*Brand Image*” and the other two for “*Desire to help others*”. Furthermore, another one added its motivation: “*Both Desire to help others and have an impact on the world*”. Lastly, one enterprise chose “*Acquire new customers*”. The situation is represented in the following pie-chart in Figure 13. These results could be interpreted from an economic and a political point of view. More precisely, either company decides to implement socially responsible actions in order to gain a sustainable competitive advantage or just because they believe that it is the right thing to do. This concept was already described in the first part of the thesis, when the Carroll and Schwartz Venn Diagram was illustrated. However, in that specific research, we can find that only 11.1% of the companies adopt CSR for an economic return by choosing the option “*Brand image*”. This low trend is reinforced by the fact that only one company has marked the option “*Acquire new customer*”. On the other hand, the political motivation behind the adoption of socially responsible actions is strong. We can notice that more than half of the respondents have the desire to have an impact on the world. Furthermore, “*employees satisfaction*” could be interpreted from both sides: the economic return is represented by the idea that the more satisfied an employee is, the more motivated he will be, generating in this way higher productivity. While the political concept could be summed up by all the regulations, associations, and initiatives undertaken by companies for assuring employees' rights and health. Moreover, I believe that the main external factors driving the adoption of CSR are the socio-cultural ones and the changes in technology. For what concerns the former, we have that new lifestyle trends and social awareness about current problems have a strong influence also on the companies' business choices. On the other hand, improvements in technology have allowed better global communication, technology access and developments.

In addition, we can also drive these results from both proactive and reactive motivation. The former underlines the idea that one entity decides to implement a specific strategy without external pressure: mainly, it is only a company decision. The reactive motivation, on the other hand, is the reaction to external factors, such as new legislation, market pressure, government regulations and so on. For what concerns this specific study, it is clear that the majority of the companies have a proactive motivation behind the adoption of CSR since they are pushed by intrinsic initiatives and not by external factors. This

conclusion can easily be driven by the results that are displayed in Figure 13, hereafter, since the most chosen variables are "Have an impact on the world" and "Employees satisfaction".

Figure 13: In Your opinion, which is the primary motivational factor behind the adoption of CSR strategy?



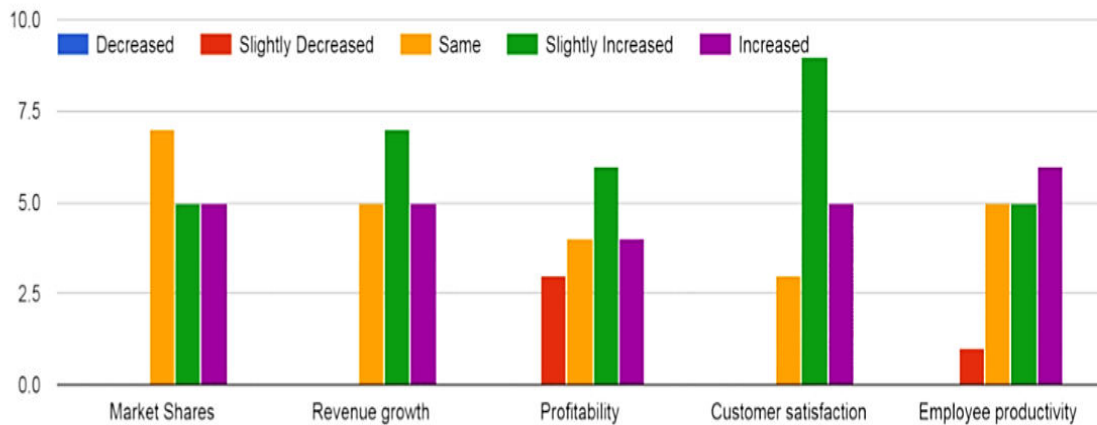
Source: Own work.

Moreover, questions six and seven can be elucidated together. The former asks when the CSR has been implemented in the business. The results show the higher percentage in the option "more than 6 years" equal to 50.0% followed by "1 to 3 years" corresponding to 33.3% of the total, "less than 1 year" selected twice and "4 to 6 years" selected only once. Similar results are present in question 7, where the respondent had to select the typical duration of a CSR strategy: "More than 6 years" was selected eleven times, "1 to 3 years" five times and both "Less than 1 year" and "4 to 6 years" once each.

The next section is centred around the financial performance of the company. More precisely, the question asks whether the adoption of CSR enhances financial performance or not. Twelve respondents selected "Yes" with a total percentage of 66.7%.

Furthermore, the respondent had to evaluate how different factors used for tracking the overall business had changed in the last 3-4 years. The results are presented in histograms beneath this description in Figure 14. On the x-axis, we find the factor that is evaluated, while on the y-axis shows the number of companies. It is easy to understand that the majority of the companies are experiencing the same market shares and a slight increase in both revenue growth and profitability. Moreover, there is a high consensus in choosing "slightly increase" in customer satisfaction. Lastly, "Employee Productivity" is the only element that has been evaluated as "Increased" by the highest number of companies.

Figure 14: Please evaluate how the following factors have developed in the last 3-4 years in Your organization.



Source: Own work.

On the other hand, the only company that in question 3 selected "No, we have no long-term plan at all, but we will develop one in the future", would like to develop a CSR strategy in all the areas suggested. Moreover, it added a personal consideration, namely "We'd like to do all of the above by promoting these values within staff and our guests". Another thought had been written when it replied to the belief behind the adoption of CSR. More precisely, it stated:

"I think it's down to personal values and sense of larger community. How can we add value to ourselves with a greater sense of community first of all and then encourage this as part of the fiber of the company. Of course there are challenges in terms of how this works in real life but if we can keep coming back to some of these values".

In addition, if it had a CSR strategy, it would take one for more than six years. For what concerns the financial performance, it believed that the implementation of social activities would enhance it. Its "Market Shares", as well as the profitability, have increased in the past 3-4 years. While, "Revenue Growth" and "Customer satisfaction" experienced a slight increase. Lastly, "Employee productivity" has remained the same.

3 RECOMMENDATIONS BASED ON RESEARCH RESULTS

Based on the qualitative and quantitative aspects of my thesis, I have the impression that significant steps have been made for what concerns the implementation of social actions, especially in the sports industry.

Moreover, the majority of the companies operating in the surf market implement a CSR strategy. That idea could be seen in the section in which I have listed some examples/partnerships, and in this last one. More precisely, I think that a broader picture is given by big corporations, which are more affected by public pressures and stakeholders'

interests. While, my research gives a narrow picture through the survey results. As already stated, seventeen out of eighteen respondents have a CSR plan and the one that does not has the intention to implement one in the near future. Furthermore, the primary motivation behind the adoption of social actions is not represented by an economic return, but rather, by the desire to have a positive impact on the world. I believe that this is the result of the increased awareness of society and its desire to affect both communities and environment positively. Moreover, there is also the belief that CSR brings a better financial performance of the company. Lastly, I believe that all the received answers are the results of a planned strategy since many suggestions and personal opinion have been added to the questionnaire.

Moreover, another recommendation is for big corporations that operate in the surf market. From my study emerged that the majority of the respondents do have a long-term strategy, but it is not formalised. Thus, my suggestion for big enterprises is to create workshops or events open to small and medium companies, during which clarifications and advice on how to better implement and manage a CSR strategy are given. Moreover, we have seen that in the last years, big surf multinational companies have experienced financial downturns due to their extreme focus on international investments. I believe that if they start to sustain small local companies, they will experience a regain of trust from regional consumers and, at the same time, they will give support to society and economy. This trend is present also if we consider the geographical variable: corporate houses located in developed countries are more likely to engage in CSR than the companies located in the developing ones, due to their less available resources, knowledge and capital. We can also notice that different companies develop similar projects in the same geographical area. This situation leads to an overlap of programs, which in turns arise competition. Hence, I suggest them to try either to find more innovative projects or to create a partnership between themselves. On top of that, the contribution of elite athletes to companies' image is crucial, since they possess excellent communication power. For this reason, I believe that corporations should promote the social benefits of their actions through the engagement of individual athlete in their strategic plan. On the other hand, I also think that players should be individually more environmentally and sustainably aware.

What is more, I firmly believe that in the future governments will regulate the implementation of CSR, since the majority of the states are now failing in monitoring companies' actions, creating in this way a pleasant environment for opportunistic behaviours. Thus, I recommend companies to engage as soon as possible in CSR so that they can respond to possible new regulations in a proactive rather than in a reactive way. This could be done by introducing a section of CSR in their annual report or by creating a proper code of conduct, as many big corporations have already done.

In addition, a crucial point in the implementation process is related to the communication of the intention to engage in CSR activities. I already argue that proper channels of communication can improve the motivation of the workforce, meet stakeholders' interest,

increase shareholders loyalty, lead to better brand image and facilitate a robust knowledge sharing. For all of these reasons, I suggest to managers to communicate always the CSR plan to all the people directly involved in the day-to-day business activities. Moreover, I believe that awareness about CSR should be strengthened through media, new courses at university, seminars and workshops in order to both motivate other companies to engage in social actions and for facilitating the development of innovative ideas, solutions and projects.

Furthermore, I believe that surf companies should pursue the implementation of CSR in their businesses since it is clear that it brings to a positive effect to both society and the business itself. However, for small enterprises is not always easy to economically sustain projects or actions directed towards disadvantaged communities, environment, workforce... For this reason, my recommendation for policymakers and governments is to provide more financial support to small local companies and NGO, since usually donations are the primary source of funding.

Finally, I recommend to consumers to try to buy surfing materials, even if they could be more expensive, from companies that specify their commitment to sustainable actions because the price is sometimes the reflection of innovative and eco-friendly materials, respect of employees' rights and less production pollution. This idea could be applied also directly to companies since the value of a corporation is not only based on the economic aspect, but also on their social commitments. More precisely, they should choose suppliers and partners that adopt socially responsible actions both for increasing their financial performance and their brand identity. This could be done by achieving a minimum score in specific standards that are set by particular institutions that provide the desired certifications. On the other hand, this way of conducting the business could be also a right solution for the lack of accountability that it is present when we want to measure the results of the CSR implementation. In addition, we should all take actions that make us feel like a good citizen, despite the prices, costs and profit associated with them in order to increase the social capital especially in a period characterised by globalisation, desegregation of the production process and international trade.

CONCLUSION

In conclusion, with this paper we have seen how the concept of CSR has developed throughout the years, how different scholars justify its introduction from an economic point of view, how to measure the results and the specific features of the sports industry.

Further in the chapters, we have understood that the majority of scholars believe that companies have a responsibility towards society. This was evident, especially when the Triple Bottom Line approach, Freeman's Stakeholder Theory and Davis' Iron Law were illustrated. Moreover, the results of the online survey that I have conducted reinforce this idea, since the majority of the interviewed companies, independently from their size, adopt

CSR strategy with the primary motivation of having an impact on the world. It is worth noting that by focusing the analysis on customer's perception the situation does not change: we have seen that customers believe that business enterprises have an overall positive impact on society. On the other hand, there are economic theories, such as Friedman's "Shareholder Theory", which underlines the disadvantages of performing social actions, due to their costs for companies and the shareholders.

In addition, we are now aware of the different tools available for measuring the outcome of socially responsible actions. Within them, the most used one in my thesis was the SDG developed by the United Nations. However, as already presented, one of the main limitations present in this context is the lack of accountability, thus also understanding whether responsible social actions bring to enhance the financial performance it is not easy. More precisely, in the theoretical framework, we have seen that the link between CSR and financial performance could be positive, negative or neutral, depending on different variables. However, both from theories presented in the thesis and from my questionnaire, it emerged that the majority of companies and scholars believe that CSR actually enhances the financial performance. This result can also be linked to the already mentioned benefits (employee productivity, waste reduction and higher motivation ...) deriving from the adoption of actions that try to address social and environmental problems.

Moreover, the last decades have been characterised by faster communication, lower tariff rates and better transportation. Based on the ideas presented in chapter 1.3, these positive events are the result of globalisation. However, downturns of this socio-economic phenomenon are present: we have wage inequality both within and between countries and desegregation of the production process. Moreover, this last phenomenon leads to the exploitation of the workforce. Due to all these elements, society now is becoming aware of the problematics generated by big multinational companies. Thus, it requires the companies to implement actions in favour of disadvantaged communities and environmental problematics.

Furthermore, we have seen that business enterprises operating in the sports industry are more prone to tackle the problems mentioned above; examples reported in the thesis are Patagonia, Nike and Volcom, which have introduced Code of Conduct, standards and regulations for limiting different types of misbehaving.

However, I am aware of the limitations of this study. First of all, if further research is made in the future about this topic, I suggest one to contact a more significant number of companies. Second, it should be useful to collect data not only through an online survey but also by conducting personal interviews, so that any misunderstandings and delayed responses can be limited. Third, a more focused analysis should be performed by centring the data collection on specific countries or market segment. Moreover, one could conduct a study that tries to address whether there is gender discrepancy within the industry since in

my case, men represent 68.4% of the final sample. However, the size of the sample is too small for making conclusions regarding this specific topic. In addition, I want to highlight that it was hard to collect data since the majority of the companies I have contacted did not reply to the informative email, and some of the ones that have filled-in the questionnaires decided not to reply to some questions. Thus, the research was conducted using a limited sample size, which has affected the development of both the study and the results. Lastly, I was trying to reach the CEO or the CSR responsible of the enterprises, but only 57.8% of the respondents covered these positions. I think it is an acceptable percentage; however, this could be improved.

Finally, I believe that the survey that I conducted for my thesis topic is new and pioneering; however, further research should be conducted in order to understand the companies position in regard to sustainable actions better. Furthermore, I hope that I have aroused interest in this fantastic sport, surfing. I have the perception that by practising surfing the link between sport local communities, environment and society, in general, becomes more evident; and this is the motivation behind my decision to develop this topic for my thesis.

In conclusion, after deriving the relevant conclusions from the main questions listed in the introduction, we can now present a general idea of the implementation of CSR in the sports industry. We now know the interrelation between society and companies, the influence that sport has on our life, the reasons behind the adoption of CSR by enterprises operating in the surf industry and the influence that globalisation has on CSR. Hence, we should not consider economic and social practices as separate element since one influence the other and we cannot run a profitable business without a healthy society.

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APPENDIXES

Appendix 1: Povzetek (Summary in Slovene language)

V svojem magistrskem delu sem želela ponazoriti vpliv družbene odgovornosti v športnih organizacijah.

Moj glavni cilj je bil razčleniti pomembnost vloge, ki jo dajejo podjetja v športni industriji interesnim skupinam, ko se odločijo za izvrševanje svojih poslovnih strategij. Drugi namen je bil preučiti vpliv, ki ga imajo družbeno odgovorna dejanja na podjetja, ki delujejo v industriji surfanja, opredeliti njihov odnos do profita in do globalizacije ter oceniti, kako gledajo na konkurenčno prednost.

Najpomembnejše domneve moje teze so:

- Ali podjetja v panogi deskanja uresničujejo strategije družbene odgovornosti?
- Katera so tista področja, na katerih imajo podjetja iz panoge deskanja aktivne programe družbene odgovornosti?
- Kaj so glavni motivi za uresničevanje družbeno odgovornih aktivnosti podjetij v panogi deskanja?

V teoretičnem delu naloge (prvo poglavje) sem analizirala podatke, ki sem jih razbrala iz številnih člankov in esejev na temo o družbeni odgovornosti. Sama sem pripravila spletni vprašalnik in ga poslala nekaterim izbranim podjetjem, ki delujejo v panogi surfanja. V drugem poglavju svoje naloge sem razložila in definirala vse podatke, zbrane v vprašalniku. V tretjem poglavju, na osnovi obdelave prvih dveh poglavij, svetujem in dajem priporočila podjetjem.

Temo študije o družbeni odgovornosti v športnih oganizacijah sem izbrala predvsem zato, ker ljubim šport in se z njim tudi aktivno ukvarjam, še posebno z deskanjem. V industriji surfanja je v zadnjih letih zelo opazno prizadevanje za varstvo okolja, za enakopravnost spolov in za pomoč lokalnemu prebivalstvu. Zelo cenim pravične, prijazne in odgovorne medosebne in družbene odnose. Prepričana sem, da družbenih in gospodarskih prizadevanj in delovanj ne moremo obravnavati ločeno, ker se medsebojno pogojujejo in dopolnjujejo. Zdrav duh v družbi je vedno pogoj in dopolnilo za zdrav duh v podjetništvu in industriji. Seveda pa velja tudi obratno.

Appendix 2: Online Survey in Word Version

Dear Madame / Dear Sir,

My name is Maria Lucia Lavaroni and I am a master student at the School of Economics and Business, University of Ljubljana.

Completion of this survey will take approximately 5 minutes.

Your participation in this study is completely voluntary. If You feel uncomfortable answering any questions, You can withdraw from the survey at any point.

Your survey responses will be **strictly confidential** and data from this research will be reported only in the aggregate. Your information will be coded and will remain confidential. If You have questions at any time about the survey or the procedures, You may contact me at

“**lucialavaroni@gmail.com**”.

Thank You very much for Your time and support.

Q1 What is Your organization’s business type? (Check all that apply)

- Surf School
- Surf House
- Surf Wear Market
- Surf Manufacturing
- Surf Association
- Other (please specify): _____

Q2 What is the size of Your organization

- Less than 5 employees
- 5 to 10 employees
- 11 to 15 employees
- 16 to 20 employees
- 21 to 50 employees
- More than 50 employees

Q3 Does Your organization adopt a CSR strategy?

- No, we have no long-term plan at all and we will not develop one in the future
- No, we have no long-term plan at all but we will develop one in the future
- Yes, we have a long-term plan but it is not formalized
- Yes, we have a long-term plan and it is formalized

If Your previous answer was “No” please go directly to **QUESTION 15**.

Q4 Select the area in which Your organization currently has active social responsibility programs (check all that apply).

- Supporting local communities
- Supporting minority groups
- Supporting gender equality
- Supporting the environment
- Performing acts of charity
- Supporting disadvantaged pupils
- Promoting employees well-being
- Other (please specify): _____

Q5 In Your opinion, which is the primary motivational factor behind the adoption of CSR strategy?

- Acquire new customers
- Brand image
- Desire to help others
- Employees satisfaction
- Have an impact on the world
- Other (please specify): _____

Q6 For how many years has Your organization been adopting CSR strategy?

- Less than 1 year
- 1 to 3 years
- 4 to 6 years
- More than 6 years

Q7 In Your organization, what is the typical duration of a CSR strategy?

- Less than 1 year
- 1 to 3 years
- 4 to 6 years
- More than 6 years

Q8 Does the adoption of a CSR strategy enhance the financial performance of Your organization?

- No
- Yes

Q9 Please evaluate how the following factors have developed in the last 3-4 years in Your organization:

	Decreased	Slightly Decreased	Same	Slightly Increased	Increased
Market Shares					
Revenue Growth Rate					
Profitability					
Customer Satisfaction					
Employee Productivity					

Q10 What is Your organization’s business type?

- Sole proprietorship
- LLP/LLC
- Corporation
- Non-Profit Entity
- Partnership
- Other (please specify): _____

Q11 Where is Your organization headquartered?

- Africa
- Asia
- Europe
- North America
- Oceania
- South America

Q12 What is Your role in the organization?

- CEO
- CSR Executive
- HR Manager
- Project Manager
- Employee
- Other (please specify): _____

Q13 What is Your age?

- Under 20
- 20 to 29
- 30 to 39
- 40 to 49
- 50 to 59
- 60

Q14 What is Your gender?

- Female
- Male

If You are interested in knowing the final results of this research, please specify Your email here: _____

Please answer to the following questions only if You replied that You **DO NOT** adopt a CSR strategy.

Q15 If Your organization had a CSR strategy in which of the following area would it develop social responsibility programs (check all that apply)?

- Supporting local communities
- Supporting minority groups
- Supporting gender equality
- Supporting the environment
- Performing acts of charity
- Supporting disadvantaged pupils
- Promoting employees well-being
- Other (please specify): _____

Q16 In Your opinion, which is the primary motivational factor behind the adoption of CSR strategy?

- Acquire new customers
- Brand image
- Desire to help others

- Employees satisfaction
- Have an impact on the world
- Other (please specify): _____

Q17 If Your Organization had CSR strategy, for how many years would it adopt one?

- Less than 1 year
- 1 to 3 years
- 4 to 6 years
- More than 6 years

Q18 If Your organization had a CSR strategy, what would be the typical duration of the strategy?

- Less than 1 year
- 1 to 3 years
- 4 to 6 years
- More than 6 years

Q19 Do You believe that the adoption of a CSR strategy would enhance the financial performance of Your organization?

- No
- Yes

Q20 Please evaluate how the following factors have developed in the last 3-4 years in Your organization:

	Decreased	Slightly Decreased	Same	Slightly Increased	Increased
Market Shares					
Revenue Growth					
Profitability					
Customer Satisfaction					
Employee Productivity					

Q21 What is Your organization's business type?

- Sole proprietorship
- LLP/LLC
- Corporation
- Non-Profit Entity
- Partnership
- Other (please specify): _____

Q22 Where is Your organization headquartered?

- Africa
- Asia
- Europe
- North America
- Oceania
- South America

Q23 What is Your role in the organization?

- CEO
- CSR Executive
- HR Manager
- Project Manager
- Employee
- Other (please specify): _____

Q24 What is Your age?

- Under 20
- 20 to 29
- 30 to 39
- 40 to 49
- 50 to 59
- 60

Q25 What is Your gender?

- Female
- Male

If You are interested in knowing the final results of this research, please specify Your email here: _____