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A framework of sport managers' ethical decision making

Timothy Kellison

Georgia State University, tkellison@gsu.edu

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A Framework of the Highly Visible Sport Manager's Ethical Decision-Making Process

Abstract

Professional sports teams often experience significant public visibility through the media and general fan interest. This unique characteristic increases the perceived accountability of sport managers, whose decisions are subject to scrutiny both within and outside the organization. In this article, a multistage framework of the highly visible sport manager's ethical decision-making process (EDMP) is proposed based on the internal, external, and personal influences experienced by sport managers. Following a literature review and a summary of the EDMP framework and its research propositions, the practical implications of this framework are discussed.

A Framework of the Highly Visible Sport Manager's Decision-Making Process

The public visibility of sports teams competing in the world's most popular leagues (e.g., Major League Baseball, Nippon Professional Baseball, English Premier League; Ridgers, 2011) presents managers of those teams with immense pressure to make rational and sound decisions. With the popularity of the newspaper sports page, the advent of 24-hour news programming, and the hits received on countless internet resources, sport holds a uniquely scrutinized place in mainstream society. While outside of sport, ordinary actions taken by organizations are generally met with public apathy, information about the personnel changes, marketing initiatives, and pricing strategies of professional sports organizations is readily available for public consumption.

In addition to dealing with these more ordinary decisions, those charged with managing major professional sports teams sometimes face more difficult situations requiring nuanced responses dependent on evaluation of the ethical implications of their actions (Hums, Barr, & Guillion, 1999; Rudd & Mondello, 2008; Rudd, Mullane, & Stoll, 2010). These decisions are made with reference to some understanding of the moral good or bad. Sport managers must maintain the balancing act of producing a quality product while reflecting organizational responsibility. For example, when elite players commit transgressions either on the surface of play or in their personal lives, their teams or leagues may enforce some form of punishment. When Ben Roethlisberger, quarterback for the National Football League's (NFL) Pittsburgh Steelers, was accused of sexually assaulting a 20-year-old college student, he was suspended for four games for violating the league's personal conduct policy (Bouchette, 2010). Similarly, Sean Avery, a then-forward with the National Hockey League's (NHL) Dallas Stars, received a six-game suspension for making "unacceptable and antisocial" (Rosen, 2008, para. 3) remarks to the

1 press regarding his ex-girlfriend. On the other hand, even when professionals have been proven
2 to engage in unlawful behavior, they are not always punished. In 2007, Tony LaRussa, manager
3 of Major League Baseball's (MLB) St. Louis Cardinals, was arrested after falling asleep at a red
4 light. Later, he pled guilty to driving under the influence, yet he was disciplined by neither his
5 team nor the league (Law, 2007).

6 In each of the above cases, decision makers within the team and league were required to
7 select a course of action in response to a negative event, but these are not the only sorts of
8 decisions sport managers make that will come under the scrutiny of the public at large. Consider
9 a sample of recent controversies concerning professional sport, illustrating the range of decisions
10 that will be analyzed by sports media and others. The decision to accept the novelty of
11 cheerleaders in the NFL (Rhoden, 2010), the National Hockey League's (NHL) choice between
12 expensive electric ice-resurfacing machines and gas-powered machines that have been linked to
13 respiratory problems (Brazier, 2008), and the medical community's opposition to all-you-can-eat
14 seating sections at MLB stadiums (Podheiser, 2010) are only a few of the topics being debated in
15 the press. Often, such decisions have more or less visible ethical implications, adding an extra
16 layer both to the difficulty of making decisions and to the level of critical attention such
17 decisions will receive.

18 There are two purposes of this article: (1) to discuss the factors that contribute to the
19 ethical decision-making process (EDMP) of sport managers charged with the responsibility of
20 overseeing highly visible sports organizations; and (2) to present a theoretical EDMP framework
21 that can be empirically tested in future research. To accomplish these goals, I first discuss the
22 extent to which sport managers feel the weight of public interest in the affairs of professional
23 sports teams. As discussed below, public interest is expressed in various forms and comes from

various individuals and groups. Next, I summarize the extant literature on leadership, decision making, and ethics in sport management. After the literature review, I present a framework of the highly visible sport manager's EDMP, define the framework's constructs, and offer a number of research propositions. Additionally, I apply this framework to a recent incident with ethical implications: the saga of the NFL's Michael Vick. I conclude with a discussion of the framework's limitations along with directions for future research, which include empirical testing of the relationships implied by the proposed framework.

Literature Review

The topics of leadership and decision making have generated significant interest in organizational behavior and applied psychology research (cf. Bono & Judge, 2004; Harms & Credé, 2010; Winston, 2007). As one example, decision makers in sport (i.e., in this article, referred to as "sport managers") often encounter situations containing considerable ethical implications, and this subject has garnered the attention of scholars and the mainstream media (Livingston, 2010). Those charged with making decisions in an organization must consider the implications of their decisions, the consequences of which may be felt by a number of parties, including employees, business partners, customers, and the community. Thus, great strides have been taken to better understand the factors that influence managers' EDMP, as discussed further below.

The Role of Public Visibility

Although well-known companies (both inside and outside of sport) may benefit from large and diverse customer bases, their notoriety may also lead to heavy public scrutiny following economic failures or poor decisions within the organization (Lindenmeier, Schleer, &

Priel, 2012; Umphress & Bingham, 2011). While some decisions have limited meaningfulness to those outside the organization, other choices—typified in this article as *critical decisions*—have ramifications extending beyond organizational stakeholders. Therefore, organizational leaders must be cognizant of the possibility that their decisions may be felt and/or judged by a multitude of people.

In her development of a framework of organizational perception management, Elsbach (2006) identified a number of individuals and groups that comprise a company's audience. The audience includes all the internal and external receptors of an organization's communications as well as those with an acute awareness of the organization's behaviors. Internal audiences include employees, who form opinions about their organizations' reputations, while external audience groups include special interests and the media. Special interests are groups with no direct relationship to the organization (i.e., non-consumers) but which are nevertheless interested in the organization for other reasons. Human-rights and environmental groups are two special-interest groups that often publicly vocalize their dissent from the decisions of organizations with boycotts and demonstrations. As noted previously, the media is also an important external audience. For example, the media's influence on corporate reputation has been highlighted in research related to crisis communications (Thiessen & Ingenhoff, 2011). The final external audience is the general public, which may include customers, competitors, and activists. Each of these entities may express dissatisfaction in myriad ways. For instance, customers may discontinue consumer activity, competitors may take advantage of a poorly performing organization by marketing to those dissatisfied customers, and activists may organize boycotts or begin grassroots campaigns against the organization (Elsbach, 2006).

As Ferris, Russ, and Fandt (1989) contended, “One of the simplest ways of coping in the decision environment is by making decisions that one is reasonably confident will be acceptable to others” (p. 153). While this type of decision would be ideal to the manager, the diverse interests of organizational audiences sometimes make a decision mutually favored by all impossible. Because of the unique interests of different types of audience members (e.g., employees desire premium salaries while customers prefer low ticket prices), critical decisions may be met with acclaim from some audiences and criticism from others. The manager must allay the concerns of those reacting unfavorably to a decision. If a decision is unpopular with employees, for example, the manager must attend to employee concerns in order to maintain a positive reputation (Behrend, Baker, & Thompson, 2009).

On the other hand, if the public disapproves of a decision, the manager must address criticisms in order to demonstrate that the critical choice was made to satisfy organizational (and community) goals. In fact, the public probably rarely doubts that a decision is made to satisfy organizational goals. Instead, they are likely worried that organizational goals are the only factor being taken into account. As discussed further below, because of their organizations’ wide-ranging audiences, sport managers have taken a multifaceted approach when evaluating critical issues within their organizations.

Leadership, Decision Making, and Ethics in Sport Management

Although the EDMP itself may be fairly simplistic, the dynamic variables within the process have been difficult to identify. For example, Miao and Liu (2010) identified challenges with operationalizing decision making. In their study of entrepreneur decision making, they remarked:

1 The decision making process is often difficult to express, complicated to forecast, and
2 sometimes hard to understand. At present, more and more scholars are endeavoring to
3 identify entrepreneurs' cognitive characteristics and perceptual patterns, attempting to
4 explain the "black box" and gain insight into these decision makers' micromental and
5 cognitive mechanisms. (p. 358)

6 These issues are similarly present in the study of leadership decision making. While there is
7 some certainty specific factors have influence on decision making (e.g., personality, awareness
8 of the situation, conflict resolution skills), a number of context-specific variables may influence
9 leader decision making (cf. Judge, Bono, Ilies, & Gerhardt, 2002). Indeed, this article is
10 premised on the influence of an organization's public visibility. As discussed below, this topic
11 has been vastly understudied in the sport management literature.

12 **Decision making in sport management.** While some research has focused on leadership
13 dynamics within athletic governing bodies, few studies have explicitly explored the processes of
14 key decision makers (Parent, 2010; Theodoraki, 2001). In their study of environmental
15 influences on corporate sponsorship decisions, Barrett and Slack (1999) discovered direct
16 pressure from social networks and referent others influenced corporate decisions to participate in
17 sponsorship activity. Barrett and Slack's study renders support for the contention that outside
18 influence may significantly impact the EDMP. In an earlier study outside the field of sport
19 management, Galaskiewicz and Wasserman (1989) expressed that these social networks could be
20 used as leverage for managers. That is, when a manager's decision is perceived to be unpopular
21 or risky, the manager could cite the need to respond to external social pressures as the reason for
22 the decision.

A larger portion of literature has explored organizational dynamics within sports governing bodies. These bodies include organizations responsible for organizing and hosting renowned sporting events such as international competitions (e.g., the Olympic Games and FIFA World Cup) and major league championships (e.g., the Super Bowl, the World Series, and the Bowl Championship Series National Championship Game). Given the wealth of interest in sports governance, several researchers have sought to evaluate the organizational culture of various governing bodies (e.g., Ferkins, Shilbury, & McDonald, 2009; Parent, 2008, 2010). Parent (2010) examined the decision-making process associated with hosting a major sporting event and produced three parameters (time, context, and available resources) and four drivers (structural dimensions, stakeholder interactions, information management, and personal characteristics) influencing the decision making of the organizing committees. A review of the sport management literature reveals that while the focus of many studies has been on leadership style and effectiveness (i.e., Amis, Slack, & Hinings, 2004; Branch, 1990; Danylchuk & Chelladurai, 1999; Doherty, 1997; Doherty & Danylchuk, 1996; Kent & Chelladurai, 2001; Olafson & Hastings, 1988; Parent & Séguin, 2008; Quarterman, 1998; Scott, 1999; Soucie, 1994; Wallace & Weese, 1995; Weese, 1995; Weese, 1996), a lesser amount of recent research has been devoted to the ethical implications of sport managers' decision making, a brief review is provided below.

Ethical decision making in sport. The sport management industry represents a wide range of professions, including facilities management, law, finance, marketing, sales, communications, and human resource management. Thus, literature discussing ethical decision making in general business and management can translate to the sport management field. However, additional issues unique to a sport context must also be considered. Kjeldsen (1992)

discussed the need to better understand the ethical issues surrounding the sport management industry:

For most individuals involved in the academic study of sport and in the training of prospective sport management personnel, the need for improved ethical behavior in sport is a noncontroversial given. For others, the need may not be so apparent. However, the events reported each day in the newspapers and magazines and over the airways make it painfully obvious that there are many slips between the highest ideals of sport and the practices prevalent in sport today. There are so many events and incidents involving ethical problems in sport that it is painfully apparent that many sport administrators are either unable to control events under their purview or are themselves part of the problem. (p. 99)

Kjeldsen contends that sport managers are failing to address current moral dilemmas, either based on their incapability or unwillingness.

Hums et al. (1999) provided specific examples of the dilemmas encountered by sport managers at multiple organizational levels. At the professional-sports level, managers are held accountable not only to their teams' players and their front office employees, but also their local communities. For example, the economic impact of sports teams—particularly after the team has left—is a hot topic in cities such as Hartford, Connecticut (the former home to the NHL's Whalers). Labor disputes and work stoppages are significant issues for both league and players' association executives; in addition, a lockout can impact the hundreds of part-time and full-time employees of the facility or team. Meanwhile, in the front offices of North America's four major sports leagues (i.e., MLB, National Basketball Association [NBA], NFL, NHL), diversity within the workplace lags behind the ideal standard.

1 According to Hums et al. (1999), managers' challenges are not confined to the
2 professional sport. At the intercollegiate athletics level, academic administrators are faced with
3 the debate over providing compensation to student-athletes, maintaining amateurism, achieving
4 gender and racial equity, and monitoring coaches and administrators. In the health and fitness
5 industry, employees are under mounting pressure to sell facility memberships. Often, these
6 demands result in customers signing intentionally misleading membership contracts. Further, the
7 high cost of certified personnel is causing some health and fitness managers to hire unqualified
8 and uncertified staff members. In recreational sports, administrators must balance quality
9 programming with desired learning outcomes. Additionally, outdoor recreation professionals are
10 challenged to create greener programs and facilities despite low budgets. Facility managers must
11 work with independent promoters, allocate ticket sales, and adhere to accessibility regulations.
12 In international sports, cities employ corrupt practices to garner support for an Olympic Games
13 bid. Elsewhere, international sports organizations must keep up with the latest technology
14 designed to mask substances banned under anti-doping policies.

15 Hums et al.'s (1999) examples provide just a sampling of the organizational issues facing
16 sport managers. While the dilemma of each example provided by Hums et al. has ethical
17 implications, many decisions made by sport managers are not inherently—or obviously, at
18 least—ethical (i.e., made with reference to some understanding of the moral good or bad).
19 Organizational theorists have devoted a great deal of attention to decision making, but little is
20 known about the degree to which their research can be applied to a sport management context.
21 Corlett (1997) provided an assessment of sport management academy's training of future leaders
22 and concluded:

1 ...Managers—with or without ethics training—are doomed to be a political problem, not
2 a solution. It is not just that particular administrators might be bad at what they do, but
3 that administration itself as a modern institution cannot help but create or attract bad
4 administrators in abundance. (p. 251)

5 Corlett and others have contended that the field of sport management would benefit from more
6 research related to the factors influencing the EDMP of sport managers, a claim acknowledged in
7 more recent literature (e.g., DeSensi & Rosenberg, 2003; Lumpkin, Stoll, & Beller, 2003; Rudd
8 et al., 2010). Furthermore, Rudd and Mondello (2008) indicated that sport managers have not
9 received extensive training in ethical decision making and thereby lack the ability to identify
10 ethical implications as they arise in managers' EDMP. The need to consider the ethical
11 implications of a decision is particularly important for managers of highly visible professional
12 sport teams considering that these teams tend to serve as symbols of the communities in which
13 they represent (Heere & James, 2007). Therefore, community members may be especially
14 interested in the moral quality of those organizations in a way they would not be when it comes
15 to ordinary businesses in the community.

16 In light of the call for further exploration in the topic of ethical decision making in sport,
17 a theoretical framework of EDMP is proposed below. This framework focuses on ethical
18 situations occurring in highly visible sports organizations, which include members of popular
19 leagues that attract widespread media attention. These leagues may include, for example: in
20 North America, MLB, the NBA, the NFL, and the NHL; in Australia, the National Rugby
21 League; in Europe, the Bundesliga, English Premier League, and La Liga; and in Asia, Nippon
22 Professional Baseball, J. League, and the Indian Premier League.

23 **EDMP Framework**

In the following section, a theoretical framework of the highly visible sport manager's EDMP is presented. As illustrated in Figure 1, the framework contains two stages. The first stage focuses on the decision-making process, while the second stage relates to reactions to the process. The model contains five primary constructs (i.e., public visibility of actions, perceived accountability, ethical decision making, external relations, internal relations) and three moderating variables (i.e., public scrutiny, economic impact, political skill), each of which is defined below. Finally, to aid in the illustration of the framework, eight research propositions, informed by previous theoretical and empirical research, are also presented. As discussed further below, the offering of these testable propositions can be used to guide future research and to aid in further integration of ethical decision-making theory into sport management literature.

Insert Figure 1 about here

In highly visible sports organizations, managers (i.e., in this article, those charged with making critical decisions) are accountable to both subordinates (who are directly affected by organizational decisions) and fans and members of the local community (who may be impacted by decisions related to personnel hiring, ticket pricing, stadium finance, or other team-related factors). Often, these groups can have opposing interests, and the manager must strike a balance between the two. Competing business interests constitute a decision-making dilemma felt by all sorts of profit-driven businesses.

Instead, in this article, I focus on the conflicts that occur when a competing *moral* interest exists. For example, while both employees and fans have an interest in seeing a talented player who has committed an off-field transgression play, others may have an interest in seeing the player dismissed from the team. When a balance cannot be met, the manager must assuage the

negative repercussions produced by an unpopular decision, and the ability to employ political skill is theorized to be an important approach to effectively respond to discord.

The circumstances of NFL quarterback Michael Vick—and those of the decision-making processes of the organizations involved—provide illustration of the theorized model of the sport manager's EDMP discussed in this article. After Vick completed his 18-month prison sentence for his connection to a dog-fighting operation, his path back to the NFL was unclear. When Vick first acknowledged his role in the operation, reactions from the NFL and his team, the Atlanta Falcons, were immediate. For example, in NFL Commissioner Roger Goodell's letter notifying Vick of his indefinite suspension, Goodell acknowledged Vick's playing status and public image were both irreparably harmed: "Your career, freedom, and public standing are now in the most serious jeopardy" (Goodell, 2007, p. 3). Falcons owner Arthur Blank concurred with Goodell, but expressed hesitancy in releasing Vick from the team, citing the financial impact of such a choice: "We cannot tell you today that Michael Vick is cut from the team. Cutting him may feel better today emotionally for us and many of our fans, but it is not in the best long-term interest of our franchise" (Blank, 2007). Blank transparently indicated that, despite the seeming morality of such a decision, the financial impact of releasing Vick warranted consideration. This conflict is discussed further below.

Stage 1: The Process of Ethical Decision Making

As discussed in the introduction, professional sports organizations are highly visible in the mainstream media. Personnel decisions related to player trades, the termination of management, and contract negotiations are reported throughout the sports news cycle, and the expansion of social networking platforms has increased the real-time accessibility and consumption of this information (Hutchins, 2011). At a local level, professional sports teams are

the focal point of their cities' sports pages, and much has been written about the economic and intangible impacts provided to the community (e.g., Crompton, 2004; Matheson, 2008). On a national scale, when professional sports organizations make key personnel changes or discipline their top players, these decisions are subject to heavy scrutiny (as exemplified by the stories attracting national news attention highlighted in the introduction). With the knowledge that key decisions are transparent to the organization's myriad audiences (e.g., employees, special-interest groups, media, ordinary citizens, competitors, activists; Elsbach, 2006), decision makers are expected to feel more accountable. Thus, the following research proposition is made:

Proposition 1: The public visibility of a critical decision will have a positive impact on the sport manager's sense of accountability.

As suggested in the first proposition, sport managers are cognizant that their decisions are subject to scrutiny from both internal and external audiences due to the organizations' high visibility. The consequences of a sport manager's decisions are felt by two groups of stakeholders: internals—other employees in the organization with a vested interest in the organization's efficiency and saliency—and externals—members of the press and community who are more likely to align themselves a decision that is morally better. It should be noted that an *ethical decision* could be either a good decision or a bad decision; in this article, an ethical decision refers to any decision dealing with ethics. Thus,

Proposition 2a: The sport manager's sense of accountability will have a positive impact on ethical decision making.

Research positioned in the organizational behavior and human resources management literature has focused on the relationship between public accountability and manager decision making

(e.g., Messner, 2009; Ranft, Ferris, & Perryman, 2007). However, this topic has been neglected in the sport management literature, and thus represents an understudied area for future analysis.

As posited in the first research proposition, managers are also expected to be accountable to the community. Some issues capture the public's attention more than others. For example, a team's decision to cut a player accused of criminal behavior would likely receive the attention of the press, whereas a decision to cut a front-office employee for the same offense would undoubtedly be less newsworthy (e.g., Meisner, 2011). With the knowledge that management leadership strategies and decisions are increasingly subjected to the evaluation of the media and public, managers are expected to consider the ethical options presented to them (Selart & Johansen, 2011).

Thiel, Bagdasarov, Harkrider, Johnson, and Mumford (2012) suggested "an effective leader must be aware of...external influences and adjust accordingly in order to completely integrate information into a coherent model from which the leader can generate the 'best' possible response to an ethical crisis" (p. 58). Under the premise that the media and general public serve as external influencers (Elsbach, 2006), then, Thiel et al.'s position can be applied to a sport context. That is, when public scrutiny is high, sport managers are expected to be more likely to pursue ethical decisions. Likewise, when public scrutiny is perceived to be low, sport managers feel less inclined to consider the ethical ramifications of their decisions. Thus,

Proposition 2b: Public scrutiny will moderate the relationship between perceived accountability and decision making such that as public scrutiny increases, the positive relationship between perceived accountability and decision making becomes stronger.

Alternatively, as public scrutiny decreases, the positive relationship between perceived accountability and decision making becomes weaker.

As alluded to previously, North American professional sports organizations are driven by financial solvency (Rottenberg, 1956; Sanderson, 2002; Zimbalist, 2003). Some sports organizations, therefore, may give much weight to the maximization of revenue when making ethical decisions. According to this framework, when sport managers perceive high levels of accountability from internals, they are expected to be more mindful of the financial consequences of their decisions. Conversely, when sport managers perceive high levels of accountability from externals, they will more heavily weigh the environmental and social implications of their decisions. When a sport manager perceives a decision that could be viewed as unethical will be accompanied by increased profits, this type of decision is more likely. Alternatively, if the economic impact of a decision is minimal, the likelihood of an unethical decision is reduced. Thus,

Proposition 2c: The perceived economic impact of a decision will moderate the relationship between perceived accountability and decision making such that as the decision's perceived economic impact increases, the positive relationship between perceived accountability and decision making weakens. Alternatively, as the decision's perceived economic impact decreases, the positive relationship between perceived accountability and decision making strengthens.

The social and financial influences of a decision on team executives' ethical decision making are exemplified in the Vick case. Unable to find a team willing to trade for him, the Falcons eventually released Vick from the team. After he was released from prison, many teams expressed timidity and reluctance in pursuing the quarterback, as chronicled in *The New York Times*:

Vick has been out of football for two years—he was suspended even before he went to prison—and even if he is reinstated for all or part of the 2009 season, his options may be limited. He is 29, still young enough for many productive seasons, but he was becoming a less accurate thrower as his career went on, and few teams may be willing to take him on as a starting quarterback. Several teams, including those that would seem to be obvious landing spots because they have no established starting quarterback, have stated that they are not interested in him. Teams interested in him would have to be willing to endure a battering from animal-rights activists. (Battista, 2009, para. 7-9)

Vick was initially suspended, Falcons owner Blank acknowledged the pressure to immediately release Vick but contended the financial impact of doing so was more significant. On the other hand, after Vick was released from prison, many teams were unwilling to pursue him for fear of community rejection (Barnett, 2009).

In both cases, team leadership made very public justifications for their decisions, ranging from Goodell's letter (a letter disseminated to the national media) to Blank's press conference. When Vick signed with the Philadelphia Eagles, public opinion varied, as described in the press (e.g., Rhoden 2009a; Rhoden, 2009b; Vecsey, 2009; Worden, 2009; Zinser, 2010). A nonscientific poll of nearly 40,000 respondents by the *Philadelphia Inquirer* revealed 51.2 percent opposed the Eagles signing Vick ("Reader Poll," 2009). Based on the internal and external reactions of a decision, managers often rationalize their decisions to assuage discontent. This action represents the second stage of the EDMP and is discussed in the next section.

Stage 2: Decision Rationalization

When an unethical decision is made, externals are expected to criticize the organization (Elsbach, 2006). For example, when a player commits an egregious transgression but is kept on

the team, the public may characterize the team as unethical or unsupportive of moral principles and values (e.g., Bernstein, 2011). In order to maintain a positive relationship with the community, then, management may implement an external relations campaign in order to disassociate the team (and player) from the transgression (Trosby, 2010). The team's reliance on its public relations department is designed to recover externalists who lose interest in the team based on the manager's unethical decision, as suggested in the research proposition below:

Proposition 3a: Decision making that takes ethical factors into consideration will have a positive impact on external relations.

Correspondingly, in the event a decision made for ethical reasons produces a perceived negative impact on the finances of the organization, internalists may be less supportive of the sport manager who forfeits the organization's potential economic gain by succumbing to public scrutiny. Here, the manager may address the weakened relationship with internalists through internal relations. Internal relations is employed by individuals as a defense mechanism to maintain a positive self-image or influence the perceptions of significant others (Wayne & Liden, 1995). When an unpopular decision is made, managers will engage in internal relations to seek significant others' (i.e., subordinates and equals) endorsement of their decision. When an ethical decision is perceived to hurt the organization, managers will emphasize the moral implications of the decision to demonstrate their ethical conduct to organizational members. Regardless of the reaction of internalists, internal relations are useful to demonstrate morality or provide a clear rationale for the decision made. Thus,

Proposition 3b: Decision making that takes ethical factors into consideration will have a positive influence on internal relations.

Engagement in internal relations is a helpful tool to reconcile the differences created with internals by an ethical decision. However, the ability to engage in internal relations is largely dependent upon the manager's political skill, or "the ability to understand others at work and to use that knowledge to influence others to act in ways that enhance one's personal or organization objectives" (Ferris, Davidson, & Perrewé, 2005, p. 7). In addition to the positive career outcomes produced through its use, political skill can be utilized to influence others within the organization (Ferris, Treadway, Perrewé, Brouer, Douglas, & Lux, 2007). Often, political skill is characterized as tactics employed in order to improve the manager's perception of the individual employing the tactic; in other words, tactics are employed upwardly. However, at times, managers may be required to protect their status after unpopular decisions (Kingsley Westerman & Westerman, 2010).

Ferris et al. (1989) highlighted the usefulness of political skill to organizational members: "In decision making, people seek the approval and respect of those to whom they are accountable and are motivated to protect and enhance their social and self-image by engaging in political behaviors" (p. 153). In some circumstances, sport managers may be tasked with making decisions of which the consequences affect two conflicting sides. When a critical decision is made, groups to whom the manager is accountable include internals and externals. In this framework, the capacity to address these opposing views is based on the manager's political skill. The sport manager with high (or low) political skill will utilize external relations and internal relations more (or less) often. Therefore,

Proposition 4a: Political skill will moderate the relationship between decision making and external relations such that as political skill increases, the positive relationship between decision making and external relations becomes stronger. Alternatively, as political skill

decreases, the positive relationship between decision making and external relations becomes weaker.

Proposition 4b: Political skill will moderate the relationship between decision making and internal relations such that as political skill increases, the positive relationship between decision making and internal relations becomes stronger. Alternatively, as political skill decreases, the positive relationship between decision making and internal relations becomes weaker.

This proposition is supported by previous research demonstrating that decision makers tend to use political skill through defensive mechanisms when they perceive a high level of accountability (Hochwarter, Ferris, Gavin, Perrewé, Hall, & Frink, 2007).

While many researchers have devoted their studies to the influence of cognitive characteristics in the decision-making process, others have investigated the actual actions of managers. Miller and Lee (2001) analyzed the link between decision making and performance, concluding that a thoughtful decision-making process will produce positive financial consequences for the organization. Profitability and utility maximization are significant components of the business orientation of professional sports teams (Zimbalist, 2003), and when the economic implications of a decision are high, ethical considerations may diminish. Conversely, ethical considerations may increase as public scrutiny mounts. Furthermore, two primary groups are affected by a manager's critical decision: those within the organization (e.g., front-office employees, player personnel) and those outside the organization (e.g., media, general public). Depending on the decision outcome, one group is likely to be satisfied, while the other is dissatisfied. As a result, sport managers must engage in forms of damage control to justify

1 their decisions to the dissatisfied group and to protect their status and prestige within the
2 organization.

3 Despite highly visible incidents such as the one outlined in the Michael Vick case, the
4 political skill of the lead decision maker is not always observable in communication to the
5 mainstream media. In some cases, decision makers may be “coached” by those versed in public
6 relations to provide quotable statements admonishing player transgressions and vocalizing
7 disappointment. However, in actuality, the sport manager may only be disappointed with the
8 fact the transgression leads to public disapproval and to disciplinary action, thereby hindering
9 team performance. Furthermore, a sport manager’s use of political skill may not be observable
10 simply by the presence of external relations activities. In fact, many decisions made by upper
11 management are communicated through mediums such as the organization’s public relations
12 liaison. Only in the most critical decisions (such as the Vick situation) are the organization’s
13 critical decision makers observed engaging in formal public discourse.

14 Less discernible in the Vick example is the internal reaction to the decisions of upper
15 management. Personal opinions of organizational members may need to be reconciled with
16 organizational goals; individuals themselves may struggle balancing morality with economic
17 considerations in critical events. In situations in which human interests are not involved,
18 however, conflict between the interests of the public (rather than of organizational members) and
19 the organization are more likely.

20 The manner in which external relations and internal relations are approached is largely
21 dependent upon the perceived fallout that accompanies a decision. When a decision is perceived
22 to be made with reference to ethical values, the organization will highlight its moral character,
23 commitment to serving the community, and upholding of highly ethical standards. Alternatively,

review, some studies have dealt with leadership characteristics and the group decision making of governing bodies, but little advancement has been made in the subject of individual decision making in sport, such as in head coaching, general managing, and ownership. While some theoretical support is garnered from general organizational theory, a great deal is still unknown about how the uniqueness of highly visible sports organizations impacts the manager's EDM. This limitation indicates a need for further research. This framework can serve as a foundation and guide for future empirical investigation.

Limitations

In the attempt to provide relevant and applicable anecdotal evidence to support elements of the framework, several assumptions are made. A primary assumption of the EDMP model is that sport managers face pressure from two opposing sides when making critical decisions. Critical decisions are defined as decisions impacting groups both within and outside the organization; these situations are not experienced on a daily basis. Furthermore, even when a critical decision is necessitated, the organization itself and the local community may agree upon what decision is best for the team. Take, for example, an NCAA Bowl Championship Subdivision team that fires its head football coach after consecutive losing seasons, despite a marked improvement in the graduation rates and grade point averages of its student-athletes. Local fans interested in the on-field success of the team may be supportive of the personnel decision; the coach's exemplary academic record may be debated only by the university faculty or national editorialists.

Similarly, this framework assumes that those inside the organization are more closely aligned with the goal of increasing revenue. However, employees may place greater importance on maintaining an ethical organization. Suppose an MLB team is in negotiations with a player

known for his hitting prowess, but who has also been tied to allegations of steroid use. Even if signing the player guarantees to pique fan interest and increase product consumption, organizational members may express opposition to signing the player. Furthermore, there is some evidence to suggest that some professional sports teams are more concerned with utility maximization than revenue generation (Noll, 2003). Replacing *economic impact* with *utility maximization* in the model may not solve this problem, because many individuals outside of the organization are likely to have corresponding interests; that is, fans want to see their teams succeed, too.

Finally, this model assumes that negative consequences will emerge from ethical or unethical decisions. Within the organization, managers are expected to be sensitive to the internal consequences of their decisions, as discussed by Ferris et al. (1989): “A universal function of organizational decision making is the manager’s responsibility or accountability for conduct. The fact that people are accountable for their decisions is an implicit or explicit constraint upon all consequential acts that undertake” (p. 153). However, the impact of a major decision on local fans is less clear. To gain greater insight on the public response to ethical decision making, empirical investigation is necessary, as discussed in the next section.

Directions for Future Research

To validate and improve the EDMP framework, future research is needed. First, the assumptions discussed above should be empirically addressed. How often (if ever) do sport managers perceive a conflict between societal and organizational values? If often, the moderating influences of economic and public scrutiny are suitable; however, if infrequent, these moderators should be reevaluated. Furthermore, when do the decisions made by managers

1 reflect the overall opinions of internals? If internal sentiment is consistent with critical
2 decisions, internal relations as a *defensive mechanism* may not materialize.

3 In addition to addressing the above assumptions, research is needed to understand the
4 relationship between public scrutiny and profitability. As discussed above, many fans may have
5 the same goal of utility maximization—a “win at all costs” mentality (Senaux, 2008). Public
6 scrutiny, on the other hand, may come from non-consumers in the community. While these
7 individuals may put the team in a negative spotlight, sport managers will feel unmotivated to
8 address these concerns as long as the team is successful (and therefore continues to attract fans
9 and sponsors). Despite the popular adage “not all news is good news,” empirical evidence is
10 desired to determine if this statement accurately describes professional sports.

13 Conclusion

14 Variables in the framework of the EDMP of sport managers are highly dynamic. In the
15 escalation of economic impact and pressure from external groups, sport managers must engage in
16 critical decisions with the understanding the disapproval of internals or externals will result.
17 Reactions to the decision warrant a response from the key decision maker, and the effectiveness
18 of this response is largely dependent upon the manager’s political skill. When reaction is
19 positive, managers (either individually or through the organization’s public relations department)
20 will accentuate the decision. However, when reaction is negative, managers will defend their
21 EDMP in an attempt to allay the concerns of the public or organizational members. To
22 operationalize this framework, a number of assumptions must be satisfied or refuted empirically.

1 Research focused on EDMP has been extensively conducted in the general organizational
2 behavior field. However, the sport management academy has widely ignored exploration of the
3 process involved in critical decision making. Professional sports teams provide a unique setting
4 for this focus of research due to the elevated visibility of the organizations. Unlike many
5 businesses, sport managers must consider the consequences of their decisions to a variety of
6 stakeholders, including the community (comprised of both consumers and non-consumers) and
7 organizational members. Internals may not perceive ethical decisions to be in the best interests
8 of the organization; contrarily, unethical decisions are not typically well received by the general
9 public. Sport managers are influenced by a variety of internal and external components when
10 faced with critical organizational decision making, and the framework produced in this article
11 offers an initial effort to describe their EDM.

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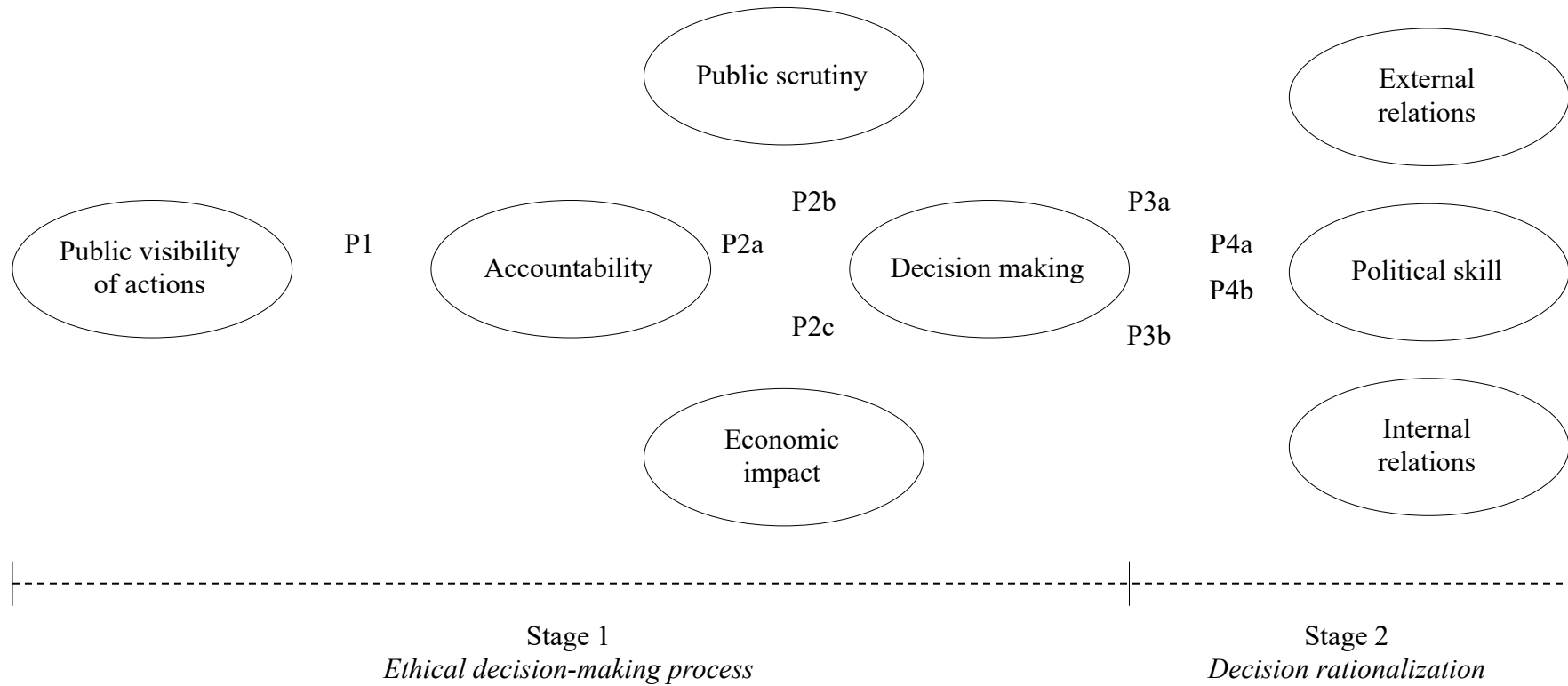


Figure 1. Framework of the Highly Visible Sport Manager's Ethical Decision-Making Process