

## Corporate Social Responsibility in esports

### *Internet Research*

#### **Abstract**

**Purpose:** The esports industry has witnessed sustained growth. In this context, an evolution in the logic of corporate social responsibility (CSR) can be observed and this necessitates an understanding of CSR from a digital perspective. Theoretically drawing on Carrol's three-dimension model and modern theorems on corporate digital responsibility (CDR), this paper answers one key research question: How does CSR evolve and develop in the digital industry of esports?

**Design/Methodology/approach:** A qualitative multiple case study research design was adopted that draws on secondary data collected across 50 professional esports organizations and actors at the forefront of CSR development in the global esports industry, including game publishers, pro-teams, pro-athletes, event organizers and governing bodies. A content analysis of official websites (50) and official annual, CSR, and environmental reports (72 in total) available to the public over the past two-year period (i.e., financial years ending in 2021 and 2022) was completed.

**Findings:** Empirical findings map the territory of esports CSR. They are later synthesized to develop an esports CSR framework that extends Carrol's three-dimensional model. Four domains of esports CSR are identified (business performance, responsiveness, social issues, and digital responsibilities), and implications for managers and academics are forwarded.

**Originality:** The present paper fills a research gap in CSR in esports, by being the first (to the best of our knowledge) empirical study that sheds light on the meaning of CSR within the esports ecosystem.

**Key Words:** CSR, Corporate Digital Responsibility

**Paper type:** Research paper

## Introduction

Various sectors of the global entertainment industry, such as fashion, music, and sports, have long been discussing integrating and implementing corporate social responsibility (hereafter referred to as CSR). Based on the fundamental premise that businesses are parts of society rather than separate entities, CSR has been an area of growing influence in management and has become a major topic in public, academic and media debates (Fatima and Elbanna, 2023). The term CSR refers to both the discourse about, and the practices adopted by, businesses to generate socioeconomic and environmental benefits for society at large (Banerjee, 2008). As such, incorporating CSR initiatives offers substantial business opportunities and community benefits since it challenges organizations to revise their strategies, operations, behaviors, and rhetoric to achieve a broader reach and impact.

One sector that is not only adopting CSR on its own (Walzel *et al.*, 2018), but also becoming the vehicle through which businesses, statutory agencies, and nonprofit organizations carry out their CSR agendas is sport (Anagnostopoulos *et al.*, 2021). However, the deployment of CSR has become a complex exercise because of the advancement of digitalization and the challenges that this presents to our society (Low and Bu, 2022; Knaut, 2017). This is particularly so for esports, an increasingly popular area of the broader sports ecosystem (c.f., Flegr and Schmidt, 2022; Peng *et al.*, 2020; Reitman *et al.*, 2020). Defined as “competitive video gaming that is often coordinated by different leagues, ladders and tournaments, and where players customarily belong to teams or other “sporting” organizations which are sponsored by various business organizations” (Hamari and Sjoblom, 2017, p. 211), esports are receiving an increasing amount of scholarly interest in sport management (Meng-Lewis *et al.*, 2022). This is not surprising when one considers that esports are considered one of the fastest-growing entertainment industries in the world, with audiences expected to reach 640 million in 2025, while revenues are forecasted to reach 1.8

billion by the same year (Hayday and Collison, 2022). Thus, after having witnessed a dramatic professionalization over the past decade (Kim *et al.*, 2020), esports are now considered an independent industry with its own responsibilities, economic benefits, and societal concerns (Funk *et al.*, 2018; Seo, 2016).

While this development is noteworthy, little is known about the esports-CSR nexus (Rintamäki *et al.*, 2023). How do esports companies ensure their products are socially responsible for active and passive consumers? How do esports event organizers ensure that their events are conducted in an environmentally friendly manner? How do we ensure this ‘new kid on the block’ refrains from the wrongdoings often found in other ‘blocks’ of the sports industry? In short, how does CSR apply to the digital world of esports? It is perhaps surprising that such questions have not been addressed to date. The present paper aims to fill this research gap by being the first (to the best of our knowledge) empirical study that sheds light on what CSR means in the broader ecosystem of esports.

The remainder of the paper is structured as follows. The next section discusses possible esports-related areas vis-à-vis the general CSR literature and recent developments in the area of corporate digital responsibility (CDR) to account for the digital nature of the industry. The third section explains how data were collected and analyzed in this study according to the tenets of the content analysis method. Finally, we present a theoretical conceptualization that integrates CSR and esports before concluding with some theoretical and practical implications.

## **Conceptual framework and literature review**

### **Responsibilities, responsiveness, and social issues**

For more than half a century, scholarly research into the social responsibility of organizations has been founded on the development of the CSR concept (Aguinis and Glavas, 2012). Indeed, an organization's CSR expanded rapidly to encompass a wide range of topics

that Garriga and Mele (2004) loosely grouped into four approaches. A political approach focuses on how to use business power effectively; an ethical approach is based on doing right; an instrumental approach focuses on achieving economic objectives through social activities; and an integrative approach incorporates social demands and stakeholder management.

Among the most widely used integrative approaches is Carroll's (1979) three-dimensional framework of corporate social performance. As part of the first dimension of business performance, Carroll identified four categories encompassing a business's entire range of societal responsibilities: economic, legal, ethical, and discretionary. In his study, Carroll stressed that all four categories are not mutually exclusive, cumulative, or additive, even though the economic and legal responsibilities were given more weight than the ethical or discretionary ones. The second dimension of the framework focused on the philosophy of responsiveness and outlined a continuum of reactions to proactive responses. In the third dimension, the emphasis was given to social issues that businesses should pay attention to – to various degrees of explicitness and directness. Though the conceptual framework did not attempt to identify all social issues involved, it did offer a broader range of factors, including consumerism, environmental concerns, discrimination, product safety, occupational safety, and shareholder interests.

In his three-dimensional framework, Carroll acknowledges, however, that the issues change and vary according to various industries, so “we are left with recognition that social issues *must be identified* [emphasis added] as an important aspect of corporate social performance, but there is by no means agreement as to what these issues should be.” (Carroll, 1979, p. 501). Given the digital nature of competitive video gaming, a digital perspective on CSR is relevant. The term corporate digital responsibility (CDR) has recently been coined to incorporate a more digitally conscious approach to CSR (Lobschat *et al.*, 2021). CDR has

been argued to be an extension of a firm's responsibilities to consider the ethical opportunities and challenges of digitalization, including digital waste, digital inclusion, and data protection, usage, and transparency (Herden *et al.*, 2021).

Even though several conceptual advances have been made in the CSR and, recently CDR literature, Carroll's three dimensions remain at the core of researchers' understanding of social responsibility in organizations (Walzel *et al.*, 2018). Thus, when coupled with CDR elements and the contextual features of esports, this relatively old framework becomes appropriate to the industry at a time when esports is gaining a great deal of attention. Although it is out of the scope of this paper to investigate how CDR and CSR relate to one another or whether to conceptually position CDR within or out with the CSR logic (Lobschat, *et al.*, 2021), synthesizing CSR and CDR principles provides the conceptual roadmap required to answer the study's central question: How does CSR apply to the digital world of esports?

### **Contextualizing social responsibility issues in esports**

*Rules of fair play: equality, access, diversity [as per Carroll's 'discrimination']*

There are several shortcomings to esports, even though they fundamentally provide equal opportunities to all members of society. While computers, game consoles, and virtual reality technology have all been developed to appeal to both genders equally, and no fundamental differences in ability have been demonstrated between women and men (Walton and Spencer, 2009), the stereotype that women are inferior to men in gaming performance still discourages female players from playing video games (Brown *et al.*, 1997). Unlike football and basketball, where men's and women's teams play separately, competitive gaming is gender-inclusive by default yet there are still a relatively small number of female players at the top. Media coverage has raised this issue several times and has regularly sparked debate, sometimes causing esports organizations to take action. Indeed, several CSR initiatives have

been launched over the past decade that have looked beyond the gender divide in the gaming industry and focus on issues such as LGBTQI+, able gamers, black gamers, and more (Venter, 2021).

*Health and safety of participants and spectators [as per Carroll's 'occupational safety']*

The proliferation of esports has created a complex and often turbulent landscape for participants, spectators, communities, and commercial partners. A socially responsible esports organization must ensure the safety of its stakeholders, including the protection of young participants from physical abuse, sexual abuse, and verbal abuse. Cyberbullying, marginalization, and inequalities are all apparent in the esports context (Hayday *et al.*, 2021). Indeed, the video game industry continues to be heavily criticized due to the perception that it can cause illnesses and injuries (e.g., sedentary behavior, drug addiction), while its health benefits are not immediately evident (Chan *et al.*, 2022). Hence, “gaming disorder” has recently been listed as a mental disorder by the World Health Organization (WHO, 2020). At the professional level, gamers are also vulnerable to occupational overuse syndrome and computer vision syndrome (Pourmand *et al.*, 2017). Against these facts, it becomes evident that esports companies and event organizers have an ethical responsibility to find ways to accommodate all these risks and safeguard gamers (in particular) and spectators alike.

*Uncertainty and independence of playing outcomes [as per Carroll's 'consumerism']*

Several policies may be needed to ensure that the integrity of esports is not compromised by both playing (e.g., cheating, esportsmanship) and non-playing interests (e.g., gambling). The rate at which legal and illegal online gambling is growing (2022 global revenues totalled US\$83.7 billion, Hing *et al.*, 2023) in the sporting world makes it no surprise that esports gambling has become more popular and remains a health risk behavior and a public health concern in many countries (Wardle *et al.*, 2019). While game publishers do not have the authority to regulate anti-gambling rules (i.e., legal responsibility, they should

ensure that they educate the players about the adverse health effects associated with esports-related gambling (i.e., discretionary responsibility through a proactive philosophy).

*Governance [as per Carroll's 'product safety']*

It is typical for self-regulatory bodies within the sport ecosystem (e.g., FIFA for soccer, FIBA for basketball, or FINA for swimming) to create and administer rules governing the conduct of sport, including those relating to commercial agreements such as sponsorships, stadium infrastructure, licensing of products, employment relations, fair contracts, and health and safety requirements. The esports field, however, lacks a central governing and regulatory body, with game publishers at the forefront of the conversation. Over the past few years, various governing bodies have appeared to fill this gap.

For example, the esports Integrity Commission was established to eliminate match-fixing, betting fraud, and other integrity issues. Further, the World esports Association was formed by the Electronic Sports League (ESL) (and eight of the largest professional gaming teams) as the first pro-gamers union and has adopted the World Anti-Doping Agency (WADA) Prohibited List (ESL 2015, 2017; Tach, 2015). Additionally, the International esports Federation (IeSF) publishes standards for certification, refereeing, competitions, and player management (IeSF, 2020) as well as being an official WADA signatory (World Anti-Doping Agency, 2020). None of these organizations, however, enjoy the cooperation or recognition of all or most publishers, teams, or other stakeholders (Kelly *et al.*, 2021), thus obstructing their regulatory role and potential impact. It may well be that, given its growth, the esports field now has an economic responsibility to demonstrate its social responsiveness by adopting a convergent approach to governance in response to this cluttered landscape.

*Community relations and the environment [as per Carroll's 'environment']*

Research suggests that, despite the video gaming industry's maturation from a pastime arcade activity into a more complex digital ecosystem, the industry continues to impact the



environment adversely (Ross and Fisackerly, 2023). To illustrate, the US gaming consoles are linked to 34 terawatt hours a year in energy usage, equivalent to the carbon dioxide emissions of roughly five million cars (Hittinger *et al.*, 2012). In response to the challenge of e-waste, Microsoft and Nintendo have set carbon neutrality goals, Sony has developed a low-power option for the PlayStation 5, and the IeSF has partnered with Formula One and the National Basketball Association (NBA) in the US to support the Sports for Climate Action initiative of the United Nations Framework Convention on Climate Change (the Varsity, 2022).

These initiatives that fall within the discretionary responsibilities of businesses (Carroll, 1979) illustrate that esports can serve as a social response to global environmental challenges by reaching a wide range of audiences and engaging on a new interactive level compared to other media and sports.

The preceding two sections provided the conceptual underpinning of the CSR notion and the contextual specificities of a particular business setting, namely esports. It is precisely this nexus that the present paper sought to explore, and it is to this that we turn our attention after discussing the method employed in this study.

### **Method**

A multiple case study research design was adopted. It draws on secondary data collected across 50 professional esports organizations and actors that are at the forefront of CSR development in the global industry. The cases were chosen to encapsulate key stakeholders in the esports ecosystem (Scholz, 2020) because they are a relevant method of choice when a phenomenon under investigation is difficult to distinguish from its context (Yin, 2003).

Our research draws on secondary data evenly collected across of various esports organizations, including game publishers, pro-teams, pro-athletes, and more (see Table 1). They were purposefully chosen as distinguishable in terms of a self-assumed role in the

industry and because they play a vital role in the interconnectedness of the overall ecosystem (Śliwa and Krzos, 2020). Our data collection included the ten most valuable tournaments according to the prize pool, the ten most valuable esports companies (often owning various teams in various games), the ten top-earning video-gamers in the world, the top ten game publishers in the industry, and a mixture of the ten of the most influential third-party associations or federations for esports.

Insert Table 1 Here

We adopted a qualitative approach and utilized content analysis (Mayring, 2000; Hsieh and Shannon, 2005). Content analysis has been commonly used in similar CSR research, and previous scholars have confirmed its importance in drawing conclusions about an organization's overall communication (Pollach, 2005). Our content analysis revolved around themes proposed in the three-dimensional CSR model developed by Carroll but also included CDR elements as CDR comes with its own unique features (Herden *et al.*, 2021). This data set was based on both CSR and CDR-related arguments interchangeably to code the key themes and issues in the industry and highlight the relevance of digitalization for CSR in esports (see Table 2). In line with previous research our study design has an advantage because it takes into consideration different business agendas and models (Kolyperas *et al.*, 2016).

Insert Table 2 Here

Our analysis involved two stages of qualitative data collection to understand how CSR is defined and developed within the esports organizations examined. The first analysis stage involved a content analysis of official websites of all 50 organizations. The analysis draws on websites because they are an iconic representation of professional organizations and their "reality" (Esrock and Leichty, 2000) and because they are purposefully designed to present distinct identities to diverse audiences (Pollach, 2005). This first dataset aimed to

identify and categorize CSR-related issues and activities that these organizations communicate to their stakeholders through the web.

Following the initial web analysis, a content analysis of annual, CSR, and environmental reports (72 in total) available to the public over the past two-year period (i.e., financial years ending in 2021 and 2022) was completed. This second dataset was focused on identifying more detailed information on CSR activity (in line with Kolyperas and Sparks, 2011). The results of this review were compared with the findings of the initial web analysis and were then coded and recorded under headings. The headings were derived from previous literature (Table 1) and discussion among the authors. An example from a sample of our data collection is presented in Table 3.

Insert Table 3 here

#### *Methodological limitations*

Our methodology is limited to the CSR communications across the professional esports organizations examined. While this design helps to acquire knowledge on the role of CSR in these organizations and the societal and organizational issues within some of the most elite stakeholders in the world, it leaves open the question of how CSR unfolds in different national contexts, team and league (game) settings, and within smaller, less financially equipped, organizations. This is a common problem and criticism of designs that adopt an elitist approach (Kolyperas and Sparks, 2021), but it was deemed relevant to our exploratory nature of our inquiry and thus is used here to define how CSR unfolds from an international top-level perspective, before focusing on how CSR evolves under certain rules, institutional frameworks, and governmental contexts.

Second, our methodology is limited in the sense that it encapsulates the use of a broad definition of CSR (herein synthesized with CDR definitions) and integrates a wide gamma of CSR approaches and logics as these are derived by organizations that usually embrace

different goals at the same time. Hence, separate functions, applications, cultures, and norms that may occur in the workplace environment of the organizations examined (i.e., treatment of employees and human rights) are neither identified nor assessed by our research design. While the advantage of our research approach is that it points out the distinct areas of CSR that organizations transparently communicate to the public, it limits the operationalization and generalizability of our findings. This concern relates to the presence of positivism and interpretivism in the evaluation of data retrieved (Kolyperas *et al.*, 2015), in that self-published information (i.e., websites, corporate communication channels) might dismiss negative past experiences and incidents. Future research can address this shortcoming by including data from different stakeholders affected by CSR (i.e., fans, media, sponsors) and assessing other co-creative communication channels (i.e., social media).

### **Findings**

The data analysis revealed that CSR is evident in all organizations examined, with certain key players such as game publishers and governing organizations communicating a plethora of CSR related information and others (i.e., tournaments, players) reporting CSR communications intermittently. Consistent with previous research (Kolyperas *et al.*, 2015), this shows that CSR receives attention not only in annual reporting, often taking a legalistic form, but also in other channels of corporate communication (i.e., websites, blogs, fora), taking a more marketing and value creation role. However, CSR differs in the way it is being carried out within the examined organizations, with some similarities nonetheless noted, as it will be discussed below.

#### *Game publishers*

Game publishers are corporations that finance video game design, development, marketing, and distribution. These games are produced internally or externally (e.g., Tencent Games or Sony Interactive Entertainment); subsequently, the publishers ultimately own video

games' intellectual property and fragmentally govern esports competitions. Game publishers exhibit both power and responsibility in the industry; however, some have more advanced governance mechanisms than others. According to the web and disclosure analysis, game publishers play a central role in the industry's CSR development as they create the games, thus dictating the rules that tournaments and players abide by. Game publishers use a formal approach to CSR communication (Kolyperas and Sparks, 2011), while several categories of CSR and CDR are apparent (see Table 3 above).

Environmental responsibility appears to all examined game publishers as a key theme of CSR communications, in line with the wider trend of environmental sustainability in response to stakeholders' expectations (in line with Carroll's social responsiveness dimension). Carbon neutrality and energy efficiency are at the forefront of their agenda. Sony has adopted the Green Management 2025 initiative, which sets medium-term environmental targets for fiscal year 2021-2025, as "*... in order to achieve sustainable use of resources, economic growth must be balanced with environmental impact*" (Sony Sustainability Report, 2022).

Regarding ethical initiatives, game publishers respond to various stakeholder pressures that can be broadly classified into four CSR value co-creation areas – diversity, inclusion, equality, and education. For instance, Tencent established the Tencent Academy in 2017 to offer a comprehensive training curriculum for their employee's career development. Activision, the publisher of Call of Duty, has developed programs to support veterans back to work and increase the representation of women and non-binary individuals. Microsoft and Nintendo invest time and money in the representation and population of women and men globally and of all racial and ethnic minorities, whereas Sony Group Corporation has been awarded prizes for being one of the World's Most Ethical Companies.

In terms of economic responsibility (and in line with Carroll's business performance dimension), game publishers adopt a common language to CSR. Sustainability, energy efficiency and renewable energy sources are significant themes linked to economic performance and future growth of the industry and its businesses. For instance, Ubisoft officially considers the impact of CSR in its audits and reports, as CSR is linked to capital expenditure, economic performance, and image (Ubisoft, 2022). Beyond economic responsibility, several regulatory strands and codes of conduct color the CSR canvas (e.g., ISO, accreditations, NIST, The CIS 20 Controls), addressing internal (i.e., employees) and external stakeholders (i.e., state, regulatory bodies, media).

Philanthropic activities are also prevalent in the industry, promoted as part of the organizations' philosophy (in line with Carroll's social issues dimension). Electronic Arts has donated over \$3 million to non-profits, including GlobalGiving and Give2Asia. Equally, Sony provides various kinds of ongoing support via the two \$100 million global funds it established in 2020: the Sony Global Relief Fund for COVID-19 and the Global Social Justice Fund. Microsoft donated \$100 million to Breakthrough Energy's Catalyst initiative to help accelerate and scale new carbon solutions and partnered with Water.org, providing more than 95,000 people with access to safe water or sanitation.

Finally, game publishers address digital responsibility and governance-related matters in their CSR reporting (in line with Herden *et al.*, 2021). Matters such as privacy, safety, data reliability, and good use of technology (i.e., Artificial Intelligence for good) gain ground in the CSR agendas. For instance, Tencent has established the "Tech for Good" Lab to explore areas including basic science, innovation in education, rural revitalization, carbon neutrality, access to food, energy, and water, public emergency response, age-friendly technology, digital culture, and digital ecology.

*Governing bodies and institutions*

Over the past decade, various bodies, federations, and associations have emerged as governance mechanisms. Although there has not been a solidification of esports governance systems, as discussed earlier in this study, examining their CSR activities is pertinent for this study. Our findings indicate that while CSR is of institutional relevance for the overall ecosystem (in line with Scholz, 2020), CSR responsibilities seem to be segmented and not centralized. As such, different organizations appear to focus on different CSR and CDR categories. For example, the Esport Integrity Commission (ESIC) is at the forefront of discussions regarding responsibility for gamers/players, some of the key stakeholders in the esports industry. The mission of ESIC is to guard the integrity of esports and take responsibility for disruption, prevention, investigation, and prosecution of all forms of cheating, including, but not limited to, match manipulation and doping, responding thus to the main integrity threats the industry is facing. On the other hand, the World Esports Association primarily emphasizes the legal responsibility of esports organizations with a view to professionalizing the industry through standardization of regulations and revenue sharing for teams. In contrast, the International Esport Federation emphasizes rule-making, with both organizations focusing on CSR from a business perspective.

In terms of the digital responsibility, the Global esports Federation promotes the credibility, legitimacy, and prestige of esports by developing an inclusive, safe, healthy, and sustainable esports ecosystem with a particular focus on responsible gaming, holistic wellness, fair play, education, and career pathways for players and athletes. Furthermore, the Asian, British, and United States esports federations advocate for the growth of esports in their specific geographic areas, addressing issues related to governance, women in esports, and digital inclusion and well-being.

*Pro-tournaments*

While pro-tournaments are involved in CSR efforts, their communications about CSR are intermittent and softer (more discreet and less frequent) than those of game publishers, although similar to the latter, they pay attention to environmental issues, often advocating climate action. While CSR communications regarding the health and safety of fans attending the events are evident, this is not the case for the players themselves. The complication is that there is no standardization when formalizing labor relationships between players and teams since tournament rules are often determined on the spot. As such, the CSR actions that are focused on their key stakeholders are not always given the same gravitas.

It is worth noting that our findings identified no digital responsibility efforts in the pro-tournaments. However, the analysis revealed two CSR-related digital incidents at big tournaments that can be split into two types - technical and logistical. Regarding the former, event organizers and/or game publishers are often against server glitches, server crashes, equipment failure (device or peripherals failing), internet problems, and power outages, whereas events are vulnerable to cyber-attacks. Although game developers and organizers take measures against this, attacks occasionally get past the security.

Among the logistical CSR issues that arise are poor planning and often include errors on the part of tournament organizers (i.e., resourcing, recruitment, production, venue management/site requirements, green supply chains, contract negotiations), team or participating esports organizations' faults. Common themes include players withdrawing due to problems with travel/health, equipment/property of players being lost, players having to back out of an event due to failure to procure visas (in the case of international events), and, in some cases, even political/civil unrest.

#### *Pro-teams and Pro-athletes*

When discussing CSR in pro-teams, the CSR agenda takes a more ethical or philanthropic stance, primarily through charity events. For instance, London-based



organization Fnatic has partnered with UNICEF to combat issues affecting children globally. Cloud9 has initiated a few projects to its “*never-ending pursuit to be the best possible LGBTQIA+ ally*” (Cloud 9, 2022), whereas Faze Clan has come together in social sponsorship with McDonald’s to develop a content series focusing on diversity and inclusion.

Pro-athletes have also taken a proactive stance towards social matters, showcasing their philanthropy. Like pro teams, famous athletes focus on various CSR matters to improve their image and popularity. For instance, they commonly advocate the eco-friendly use of equipment e.g., eco-mode functionality on televisions, consoles, and other devices. Famous esports player and streamer Ninja has aided many people in need through his awareness initiatives on suicide prevention and donations to help those affected by the coronavirus outbreak, patients with Alzheimer and others. Most of the top players examined in this study were involved in a charity event in one way or another, either by playing or streaming, and showed intentions to become ‘greener’.

### **CSR in esports: Towards the development of a conceptual model**

Insights from our study confirm the increasing need for stakeholder management to develop a sound CSR agenda and demonstrate strategic governance in esports (Flegr and Schmidt, 2022; Peng *et al.*, 2020). The shift of esports towards developing CSR has been spurred on by various internal drivers for growth and external pressures, including media scrutiny and public scepticism (i.e., doping, cheating scandals, and marginalization of female gamers). Our study proposes that CSR is of institutional relevance to esports organizations and critical actors in that it is fully interactable with ecosystem functions, including operational functioning, digital responsibility, market positioning, and risk management (Flegr and Schmidt, 2022). As evident through our analysis, while disparities exist, all key organizations and actors in the esports ecosystem are already engaging with different CSR

and CDR categories. The investigation of their engagement and focus in this study provides a first empirical base to conceptualize a model of CSR value creation in esports (Figure 1).

Insert Figure 1 here

Within Figure 1, we identify that all existing CSR and CDR actions within esports fall under four dimensions (1. Business performance, 2. Modes of responsiveness, 3. Social and stakeholder issues, and 4. Digital issues). Since CSR is developing dynamically in esports, and not linearly, we see that different demands, that is, business demands, managerial philosophies (idiosyncrasies), and consumer demands intermingle, each pointing to a different dimension. As such, the first dimension, the business performance-focused CSR, captures the economic, legal, and ethical aspects of esports, signifying the CSR responsibilities implicit within esports, all of which contribute to the sector's further development. Herein, integrating CSR and digital ethics with corporate governance can create institutional relevance for the industry and set the scene for other industries to consider their digital and social responsiveness (including digital waste and toxicity). This can position esports better in the public agenda and increase its competitiveness, profits, participation, and spectatorship.

By doing so, esports organizations can create value for external stakeholders (i.e., IT companies, sponsors, environmental agencies, educational institutions) and play a pivotal and influential role as social, economic, and political agents. This is where we see the other two dimensions of CSR; philosophy and responsiveness CSR (which captures mostly joint initiatives between esports organizations and third-party organizations, the state, and the charitable sector) and the social cause (stakeholder) focused CSR (encompassing actions against broader social issues in response to stakeholders' pressure). At the same time, a fourth dimension needs to be considered in modern (digital) business, emerging in esports as they grow further: corporate digital responsibility. Components of CDR, such as data protection,

digital inclusion, freedom, and toxicity, are already emergent in the industry and intrinsically connected with the other CSR dimensions. These four dimensions of CSR are captured in Table 4 and emphasize the responsible use of the business and social power of esports, and in turn, encapsulate political, integrative, ethical, and instrumental approaches of focusing on achieving economic objectives through social activities (Garriga and Melle, 2004).

Insert Table 4

Our logic captures the opportunities and threats for esports management from a holistic point of view, including the institutional, economic, and cultural significance of virtual games. Esports organizations are hardly different from any other medium-sized, multi-national company; they consist of tangible, financial, and intangible assets that are professionally managed and marketed (Flegr and Schmidt, 2022). Hence, if esports organizations, leagues, and bodies manage their agency role socially responsibly, they can increase the industry's competitiveness against other entertainment alternatives in the commercial marketplace and political arena (e.g., sports, films). This was evident during the coronavirus-related lockdown (Kim *et al.*, 2020). Equally, the industry's growing power in the public arena is evident in the notion that esports are now part of the Olympic agenda (Paris 2024; Olympic Esports Week, 2023).

The conceptual model in Figure 1 synthesizes previous literature and data from a content analysis of CSR and CDR activity in selected influential esports organizations. It visibly allocates areas in which esports organizations can utilize value from CSR and maintains that CSR emerges in three interrelated dimensions, as per Carroll's conceptual framework, whereas the whole system is surrounded and therefore impacted by a digital dimension, according to CDR. Although our conceptualization points towards different approaches, it also signifies the potential value creation role of CSR (with CDR elements) for the esports ecosystem.

Esports has emerged and is maturing at a time when there is a sharp focus both on purpose and on CSR in business and sport. This puts esports in a different position to, say, football or motorsport which have longer-term foundations and therefore face challenges in retrospectively embedding CSR into the ethos and cultures of organizations within them. By contrast, esports have a unique opportunity to program CSR into their cultural and organizational DNA, shaping and being shaped by best practices in a rapidly developing field. Given the extent of our current understanding, we therefore assert that our conceptualization of CSR (presented in Figure 1) constitutes a firm basis upon which further academic research can be undertaken and provides clear parameters within which those working in the field can lead and manage. We particularly highlight the significance of digital issues noted in Figure 1, which will vary in significance depending upon the one's notion of esports – both formal and informal notions of esports and their organization and delivery will impact upon and can be shaped by CSR practices.

At their point of engagement with esports, which may often occur in sanitised or private environments, stakeholders may not be immediately aware of the digital waste they are responsible for creating. Yet there is a chain of impacts that falls within the domain of CSR, which ranges from the manufacture of hardware and software to the implications of time spent online engaging in esports delivery and consumption activities. As such, there are all manner of potential environmental considerations to address, including where raw materials are sourced, how server farms are located, and what forms of power are used to enable the successful staging of esports events. It is important that researchers and those in practice do not ignore such issues, nor should they be rendered simply as a matter of carbon footprint or offsetting. Instead, issues of waste and environment should be at the forefront of next-generation developments in esports. Clearly, there are lessons from other industrial sectors that esports organizations can learn from, though there are also already some best

practices in sport that should guide CSR developments. For example, the Formula E motorsport series and its achievement of United Nations net zero carbon accreditation is notable and provides benchmarks for sustainable power use, event venue selection, and waste management.

Given the volume of stakeholders engaging online with esports, their protection and how these protections are organised and managed poses a multitude of challenges. The digital spaces of esports are complex and somewhat paradoxical as they enable individualism and freedom of expression, but this implies a greater need for protection and safeguarding. This juxtaposition and the resulting social responsibilities that emerge from it necessitates careful attention on the part of academic researchers and practitioners. Indeed a balance must be struck. It is the essence of esports that users co-create and ‘prosume,’ but at the same time, they must be able to do so in safe spaces, which makes it incumbent upon, for instance, event organizers to reconcile the complexities of esports’ paradox - a contention that also extends to issues of digital inclusion, digital freedom, and toxicity. The likes of players and spectators are not the only stakeholders that need protecting; commercial partners, tournaments, and even governing bodies require support and guidance. The integrity of competitive contests in digital spaces can be threatened by hacking, gambling, and fixing behaviors, which indicates an essential role in esports for ethical hackers and new forms of collaboration between stakeholders that generate, store, or analyze data. Significantly, organizations operating in digital spaces are in the unique position of being able to gather data, analyze them, and act upon behaviors that are assessed as being anti-social, threatening, or illegal.

In this regard, the potential for toxicity in esports appears to be an especially acute challenge, mainly because user demographics are currently skewed towards younger audiences. Ensuring that such audiences are not exposed to abuse or to words or actions that malign or criminal intentions may drive is one of the biggest challenges facing the esports

industry. However, issues pertaining to gender and ethnicity, in some cases nationality, are also important. Given the inherently global nature of esports and how they have been enabled by the internet and related platforms, being socially responsible as an event organizer, team sponsor, or participant demands understanding, empathy, and deftness in decision-making that goes beyond the cognition and behavior one would normally expect to observe in many other sports. To gender and ethnicity, we add socio-demographics and economic status. We assume that the need for social responsibility in ensuring equal access and use amongst gender and ethnic groups in esports is a given. But given the hardware and software demands allied to internet connection and speed issues, we contend that social responsibility must also focus on ensuring those from less privileged backgrounds are also given opportunities to engage with esports.

This suggests a vital role for digital philanthropy, a means through which equality of access to and engagement with can be established. Although addressing the issue of digital poverty is a long-established one, specifically access to the internet and computer equipment, the increasing sophistication and expense of technologies required for one to play an active role in esports remains a concern. Indeed, as esports evolves – we note the emergence of virtual realities in mixed, augmented, and immersive forms – socio-economic disadvantage may become even more acute in the short to medium-term future. We assert that building cultures and practices of digital philanthropy, therefore, needs to happen sooner rather than later. On field in which this could take place is education; at one level, there is a basic need for users (both actual and prospective) to understand how esports work and how to participate in the contests that exist (or may exist in the future). An absence of such education is a barrier to participation and mobility, which could be addressed through the philanthropic, systematic provision of esports educational opportunities. At the same time, given the increasing sophistication of hardware and software, esports is presenting interesting, new, and

innovative ways for users to develop their soft skills and hard knowledge. Promoting engagement and access through philanthropy is a way to seize related opportunities, although government bodies, events, tournaments, teams, and athletes also have a crucial role to play. If, from the outset, esports is to program CSR into its DNA, then it is vital that education, learning, and personal development are taken seriously, formalized, and delivered effective outcomes.

### **Conclusions and implications**

The prime focus of our article was to examine the role of CSR in the esports industry. Synthesizing literature and findings from a content analysis of 50 professional esports organizations with different agendas and roles in the industry, we proposed a conceptual model and argued for the importance of CSR and CDR for esports. Our study highlights the agency role of esports organizations (mainly game publishers) as having humanitarian (i.e., by supporting supra-national organizations), business (i.e., creating value for other business such as broadcasting, clothing partners, sponsors), and cultural relevance (i.e., fostering cultural value through social identification and inclusion). The professionalization and commercialization of esports and its increasingly improved public profile create a demand to integrate CSR into the game. It also reveals the power of esports as a platform to bring commercial, political, and governmental actors together. This shows the chameleonic ability of CSR to take different forms and shapes in esports, often ebbing and flowing across the three dimensions as proposed by Carroll (1979).

Although CSR has attracted attention in various industries, it has not been investigated in the modern online esports industry. The matter of CSR for esports has been primarily ignored by esports management scholars, and thus, there is a scarcity of frameworks, insights, and models. We have begun to conceptualize CSR and CDR dimensions in esports from a stakeholder perspective and thus hope our proposed model will

further stimulate research into the topic and highlight its managerial relevance and cultural value.

From a theoretical point of view, this study brings together existing work from the areas of CSR, CDR, sports and esports management. This has been achieved primarily through a literature review complemented by an analysis of esports organizations' websites and CSR related reports i.e., secondary data reflecting the self-perception of organizations. From a stakeholder perspective, our article discusses the social responsibilities implicit in esports. We have attempted to make these responsibilities more transparent as a starting point for considering the routine integration of CSR in esports. As esports grow their reach and diversity of impact on differing stakeholders, their responsibilities towards society also grow.

Equally, since esports can contribute to social capital by developing communities and creating inclusive environments (Trepte *et al.*, 2012), other corporations can use the context as a vehicle for their business/CSR ends. By better harnessing the power of esports and CSR, corporate and esports managers alike can deliver social and community change and, at the same time, optimize their financial and cultural significance.

From a managerial point of view, our article sheds light on the key CSR and CDR issues and agendas, as communicated by key industry stakeholders. Game publishers, pro-tournaments, pro-teams and players, and governing bodies adopt different communication strategies, ranging from hard to soft communication (Kolyperas and Sparks, 2011). Although some commonalities in themes and responsibilities exist, each category of organizations has focused its attention on context-specific responsibilities and matters. The content analysis has categorized these responsibilities using CSR and CDR logics thereby offering a useful blueprint to managers, whether tournament organizers, player agents, or marketing managers of sponsors and game publishing companies. By making these responsibilities more transparent, managers should prioritize them not only as a procurement strategy to stabilize



the operations of esports feasibly but also as proactive strategic management to link with corporations outside the immediate esports sphere. In line with this, the much-needed development and formalization of a structured governance system within the esports industry can further enhance such efforts, should it also involve publishing and promoting guidelines pertaining to the CSR expected activities of key esports stakeholders.

Future research is required to map the territory further. Our article investigated the role of CSR in esports primarily from the professional organizations' perspective. The conceptual model presented in this article is proposed as a possible way forward for developing such research, but scholars can adopt quantitative and qualitative methods covering whole leagues, specific games (i.e., MOBA, Strategy), and specific esports settings. Another way forward would be the development of explorative, in-depth case studies on specific esports organizations and their stakeholders (including media partners, sponsors, and fans). This way, the complexities and dynamism of CSR can be observed closely. Research into different national CSR contexts and approaches could embed our conceptual model in a broader understanding of when, why, and how CSR is of strategic relevance for esports management and marketing.

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