

PROFIT OR SOCIAL PROGRESS

Soul for Sale?

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Abstract

Sports have served as a space for athletes to express their views regarding current social or political issues. There is a history of athletes that utilize the platform they have as a professional athlete to bring awareness to the social issues that not only affect themselves but a community, they identify with those that may not have a voice. There is an imaginary platform that is extended to elite professional athletes, especially in the United States. In the African American community, there is a divide among these athletes. Some athletes assume responsibility for addressing social or political issues that are impacting the communities in which they were raised such as LeBron James, Serena Williams, Colin Kaepernick, Muhammad Ali, Tommie Smith and John Carlos. While other athletes such as Michael Jordan or Tiger Woods or don't assume any responsibility for social or political issues and adopt the attitude of, "that's not my life so it's not my responsibility". This divide begs the question, do organizations like Nike take advantage of the divide between African American athletes assuming responsibility for political and social issues that affect the underrepresented communities which they come from?

Introduction

Organizations such as Nike have moved from philanthropy efforts which involved donating money to good causes to a more strategic approach. Nike constantly reinvents the idea of corporate social responsibility not only in the athletic apparel industry but overall apparel industry. The organization has introduced new strategies of Corporate Social Responsibility (CSR) that gain momentum over time. A consistent CSR strategy since the 1980's for Nike has been utilizing elite athletes to not only endorse products but simultaneously address social and political issues with a sense of authenticity. Nike has not always sponsored athletes who have been vocal regarding social issues that affect communities like those they were raised. Nike makes more of an effort to sponsor athletes, who are active in their communities and attempt to address social issues that affect minorities, which are one of Nike's biggest shareholders. This change was not implemented until after the scandal involving the working conditions of Nike's warehouses in other countries. Which has led many to question if Nike's efforts to address social

This paper will address the relationship between Nike and the elite minority athletes the organization endorses. The correlation between Nike's corporate social responsibility strategy to endorse athletes who utilize their platform as professional athletes to address current social or political issues are examined.

issues is authentic or attempting to drown out some of the criticism of its mistakes. In the 2018 Impact Report, CEO Mark Parker states, “In the face of today’s challenges—from climate change to inequality to how we unleash the potential of the next generation—I believe we need our boldest dreams. We need a broader vision for leadership and openness for risk. We need to question and transform existing models. And above all, we need to back our aspirations with purposeful action” (Nike 2018). Nike has been accused of capitalistic exploitation of social issues by way of sponsored elite athletes. Nike sponsors athletes that represent a particular culture (urban) and package the “feel” as urban or streetwear, capitalizing off of the communities which hold some of its biggest stakeholders.

In addition, the emergence of highly paid elite minority athletes, there was a surge of literature addressing the minority athlete’s responsibility to their community. Athletes like Muhammad Ali, Tommie Smith and John Carlos who were not afraid to show their support of their people whom were being oppressed by political or social issues. In contrast, athletes like Michael Jordan, who avoided discussing any issues that affected the African American community but gained significant financial support from these same communities. While some athletes were not afraid to address these issues publicly, other athletes were afraid of being ostracized and forced to return to the same communities they escaped. Are athletes expected to forfeit their voice in exchange for money?

There is little research that addresses the “purpose” minority athletes assume when they become professional athletes. Can an athlete authentically serve as a member of their community and a CSR tool of an organization such as Nike? Exploration of current research and recommendations for future research will assist in identifying the space the minority elite athlete holds in each community. The purpose of this research is to explore Nike’s CSR strategy in relation to minority athletes sponsored by the organization. Nike supports the athletes it sponsors who address controversial social issues as an extension of the organization’s beliefs and values through corporate social responsibility initiatives. In this report, the following questions will be explored: What are Nike’s values and beliefs expressed in its CSR initiatives? What are some of the major social issues Nike addresses with Athletes? Is Nike’s strategy of utilizing sponsored minority athletes to address social issues shared values and CSR or unethical or capitalist exploitation of minority communities?

Milton Friedman proposed that a business’ main responsibility is to make profit and this cannot be totally rejected but must be considered as a starting point to consider the responsibility and main objective of an organization. Friedman rejects the idea that an organization can assume any responsibility other than earning profit, because it cannot be an individual. He states, “only people can have responsibilities. A corporation is an artificial person and, in this sense, may have artificial responsibilities, but a ‘business’ as a whole cannot be said to have responsibilities” (Friedman 1970). He proposes that corporations that are concerned with any social issues are “preaching pure and unadulterated socialism” (Friedman 1970). Friedman draws a clear line between the individual and the corporation. Although the individual may be an employee of the corporation, personal beliefs to the side. As an employee, an individual is to act in the best interest of their employer, (earning profit) and not address social or political issues on behalf of the organization. Friedman distinguishes freewill or an individual and the responsibility of an employee.

Friedman believes organizations or their employees cannot be socially responsible while earning a profit,

he is to refrain from increasing the price of the product in order to contribute to the social objective of preventing inflation, even though a price increase would be in the best interests of the corporation. Or that he is to make expenditures on reducing pollution beyond the amount that is in the best interest of the corporation that is required by law in order to contribute to the social objective of improving the environment. (Friedman 1970)

As Milton attempts to separate an individual from their personal beliefs while an employee of an organization, I would encourage Friedman to consider an organization addressing social issues directly related to its industry. In doing so, the organization can address issues that may affect its organization which can lead to higher customer/public satisfaction and can translate to profit.

Marques and Mintzberg discuss corporate social responsibility with the analogy of a piece of cake. The two propose corporations focus on the process corporations utilize in the pursuit of CSR. In a corporation's attempt to be considered socially responsible, they may abandon ethics, "sadly too many companies cause significant harm while playing the rules of the games" (Marques & Mintzberg 2015). This is a direct result of one of the major problems of CSR, "too often, CSR is about public relations exercises more focused on corporate image than corporate behavior" (Marques & Mintzberg 2015). CSR should be considered not only as socially responsible practices but ethical practices as well. The appeal for companies to "do well" in order to produce profit is not necessarily true, because as this article proposes, a company can do well using unethical means. The goal must be achieving profit with ethical practices. What can we say about the companies who are unethical but still manage to produce a profit? The authors propose using CSR as a bridge that closes the gap between laws/policies and societal issues, "an extension of the 'do well by doing good' recipe holds that since governments aren't able to make much headway in solving our most pressing social problems, it's incumbent upon business to lead the way" (Marques & Mintzberg 2015). The article does not disagree with Friedman, a corporation's main priority is to make a profit and not be totally consumed with social issues. Does Nike serve as a bridge between members of the underserved communities and rectifying social and political issues?

Ibtihaj Muhammad is one of the growing lists of Nike's Muslim athletes. Muhammad is the recipient of a Senior World medal a total of five times. She is also an Olympic medalist, the first of which to wear a hijab while competing. Muhammad utilizes her platform as a top fencer and sports ambassador of the U.S. Department of State to address issues affecting women in sports.

Muhammad is often referred to as an American fencer or Muslim fencer but rarely is she referred to as an African American Muslim fencer, which would identify this elite athlete as a member of three major minority groups (African American, woman, and Muslim) in the United States. Muhammad who has not only managed to break into a taboo sport for a member of any of

the three groups, let alone all three. America would be forced to recognize how rare and valuable Muhammad is to members of each of the communities.

Nike capitalized on this unique opportunity and welcomed Muhammad as a sponsored athlete. The company was the first major global athletic apparel organization to market a hijab, and Muhammad was chosen as the first representative of Nike's Pro hijab line. Nike primarily identifies Muhammad as a Muslim athlete, abandoning her gender and race. The company recognized a void in the industry and created a product to seize the opportunity from competitors. While many individuals may say Nike created a space of inclusion in the sports apparel industry, others may say Nike excluded a huge part of Muhammad's identity for profit. This can be further supported by Nike's insensitivity and irresponsibility of using a symbol that represents Allah (SWT), on the bottom of a new release sneaker.

Serena Williams holds the most titles in multiple categories for an active tennis player. She initially signed a contract for 5 years \$ 55 million dollars, but that contract has been extended. Nike has named a building in honor of Serena Williams at its headquarters in Oregon, the first for any of its athletes. Is this a form of flattery or Nike securing the deal?

There is a long history of the objectification of the Black woman's body. The variety of shades, shapes and natural movements of the Black woman's body is one of civilization's greatest mysteries. This is no exception for Serena Williams, who has encountered prejudice despite her numerous accolades. Williams has been discriminated against from her hair to attire on the court. Rankine summarizes the discrimination of Black women in a space such as tennis as, "What does a victorious or defecated black woman's body in a historically white space look like? Serena and her big sister Venus Williams brought to mind Zora Neale Hurston's 'I feel most colored when I am thrown against a sharp white background'" (Rankine 2014). Most female tennis players wear short tennis skirts or shorts with a form fitting top. Williams' first match from giving birth to her first child, which she almost lost her life due to complications, was the French Open, in which she wore a catsuit. While different from Williams' normal attire because she had not returned to her weight before her pregnancy, the French Open banned Williams' catsuit for any future matches. There was a White tennis player who wore a catsuit in a tournament over 30 years prior but received no backlash. Nike offered its support by tweeting, "You can take the superhero out of her costume, but you can never take away her superpowers. #justdoit" (Twitter 2018).

Nike chose to capitalize from the controversy of Williams' outfit and offered an apparel line that included bodysuits. But the controversy moved away from society being uncomfortable with the curves of this Black Woman to supporting women (gender equality) and the discrimination women in society face as mothers. Nike quickly made Williams the face of its Equality campaign, specifically focusing on gender equality, using the platform Williams magnified gender inequality in tennis. Shortly following this marketing strategy, Nike was exposed for releasing women athletes who did not return to fulfill their contract obligations within 12 months of child birth. Serena Williams publicly supported Nike's ability to correct its mistakes. Shortly after, Nike resigned those female athletes previously fired and extended its maternity policy for sponsored athletes from 12 to 18 months.

Colin Kaepernick is a former player of the National Football League, that began a protest during the National Anthem to bring awareness in the surge excessive public cases of police brutality against African Americans in the United States that often went unpunished. In 2017, Kaepernick was released from the San Francisco 49ers after six seasons because he refused to stop kneeling during the national anthem. Kaepernick was not signed by another NFL team and was thought to be exiled by the NFL. A year later, Nike signed Colin Kaepernick as an inactive athlete for its, “Just Do It” 30th anniversary campaign. According to this deal, Kaepernick released limited edition apparel and a sneaker released in 2019. The deal was announced by Kaepernick via Twitter with a black and white up-close portrait of himself with the caption, “Believe in something. Even if it means sacrificing everything” (Twitter 2018)

Once again, Nike used the controversy surrounding Kaepernick’s exile from the NFL to capitalize on the racial and political divide of the country to spike the company’s revenue. Some people praised Kaepernick for sacrificing himself as a martyr for the cause and using his platform to fight racial injustice and police brutality of African Americans, while others believe he is unpatriotic and disrespectful to those who have served in the military branches for the United States.

Kaepernick’s struggle to be employed by the NFL further highlights the lack of space in which minority athletes can protest social issues. Society has moved from the argument of nonviolent/peaceful protests to if social issues can be deemed as respectful or disrespectful to those who are not involved in the systemic issue, which in this case happens to be the social injustices and unfair treatment of minorities which this country was founded on. As a result, Kaepernick has created the “Know Your Rights” campaign, which Nike has donated an undisclosed monetary amount to this campaign.

As with previous partnerships with athletes, we must question if Nike’s main purpose is to make a profit and increase visibility in society or for the greater good of society. The partnership with Kaepernick is unique because it began while Kaepernick was inactive and separated from the NFL. Some may say, this supports the claim that Nike has partnered with Kaepernick because he is no longer an athlete and does not have the visibility of other athletes on the Nike team. Others may refute this claim and say Nike’s deal with Colin Kaepernick has little to do with addressing social issues and more about gaining profit. Hunt would be agreeing, stating,

Nike’s standing with Kaepernick has nothing to do with politics and everything to do with the fact that he has transformed himself into an icon. For Nike, Kaepernick’s cause is simply good business—if it were anything other than a cynical branding exercise, the company would surely not be simultaneously doing business with the NFL, which has done its best to stifle Kaepernick’s protest movement.

The question remains, is Nike and Colin Kaepernick for advancement of society or the legacy of Nike.

Lebron James is arguably the best NBA player of all time. James, along with an elite few, were drafted to the NBA straight from high school bypassing a collegiate career. He signed a contract with Nike for over \$90 million. Since then, James has won several NBA championships and MVP titles with multiple teams. James’ personal life surprised many people, the son of a

single mother who: had no criminal history, even keeled, manurable, articulate and a family man who married his high school sweetheart. All of which does not fit the stereotype of the typical minority athlete constructed by society outside of the African American Community. Somehow the negative representation of the Black athlete equates to the level of performance. This “edge” or unfortunate circumstances is seen as a boost in performance often thought to be possessed by minority athletes who were raised in urban communities but beat the odds.

At the time James signed a contract, Nike was in search of an athlete to replace Michael Jordan, who started Jordan, a subsidiary line of Nike. But James would be the opposite of Jordan, who was adamant about refraining from discussing political or social issues that affected minorities or the community in which he was raised. When asked about the 1990 Senate election in North Carolina, his birthplace, he adamantly refused to discuss politics and made the comment, “Republicans buy shoes, too” (The Last Dance 2020). For many minority athletes in the United States, this was the space that was created for them by White citizens. In their opinion, an athlete was to be seen and not heard. As history would have it, LeBron James experienced a similar political situation. In an interview in 2018, James was asked his opinion regarding President Trump. A news anchor, Laura Ingraham later responded implying that athletes’ statement regarding politics should not be taken seriously stating, “keep the political comments to yourselves...shut up and dribble” (FOX News 2018). Ingraham’s comments are not uncommon, in 1969 Henderson discusses the Black athlete only being seen as useful to whites while they are in their performance peak, “But unlike black athletes, white athletes are not reduced to a slave-with-pay status, completely devoid of human or masculine characteristics” (Henderson 1969). The Black athlete has been forced to remain in their “place” in society which happens to be wherever whites feel comfortable.

Nike attempted to capitalize off this opportunity, as it has done so many times with other athletes and provide James with a limited-edition line entitled “More Than an Athlete”. Of course, this created a boost in Nike’s profit from athletes who wanted to be respected for more than their athletic skills displayed in various sports. But it was LeBron James who capitalized this moment of controversy. Although Nike made a huge profit from this exclusive line, LeBron James gained more in this moment than Nike. A portion of the proceeds earned by this line was donated to LeBron James, I promise school, which he opened in his hometown to assist at-risk youth receive a quality education. The attention Ingraham provided to James’ interview set the stage for James to introduce his concerns for the gap in quality of education based on race and economic factors.

Original research was conducted for this project to investigate if (1) there is a correlation between the support of Nike customers in relation to the athletes and the social issues endorsed by these athletes (2) if certain races feel inclined to purchase products from an organization because they can identify with the face(s) who advertise the organization’s products (3) should an organization support the social issues endorsed by the athletes it sponsors (4) are consumers willing to pay more for a product, if proceeds earned will be donated to social issues such as police brutality, gender equality or environmental issues.

There were eight questions created by me as a result of the questions created after reviewing the literature for this topic. The questions identified some demographics of

participants such as race and age to better identify any trends among participants. The survey was conducted via Survey Monkey, and all participants were asked the same questions in the same order for consistency. The survey was shared via two social media platforms that the researcher utilized the most with family and friends the most (Instagram and Facebook), family and friends also shared the survey outside of the researcher's immediate circle to gain a more holistic picture of the research. The research survey was also shared via text message and email.

There were several interesting results collected from the survey. The first interesting factor is most participants would be willing to pay more for a product if a portion of the proceeds were given to an organization that addressed social issues such as police brutality, gender equality (equal pay) or environmental issues such as climate change. Nike has conducted research of its targeted audience and discovered this to be true as well. The research has led to preparation on the behalf of Nike to launch campaigns such as "More than an Athlete" with the cooperation of LeBron James. The organization has mastered the ability to recognize a void in the market and supply its consumers, but not without a steep price tag. When participants were questioned regarding the primary reason why they purchased Nike products, quality was the leading answer while company values fell into last place. Do most consumers of Nike believe it's support of athletes to be superficial and more about profit than going beyond identifying social issues and making strides towards solutions. There was roughly the same response in relation with the belief that Nike sponsors minority athletes who address controversial social issues and participants believing Nike has a responsibility as an organization who sponsors these athletes to support the issues identified by these athletes.

Each of the athletes endorsed by Nike had the potential to become the voice for their community. The goals and interests of Nike align with those of some of the most popular athletes discussed in this paper. For future research I propose a deeper look into the amount of money Nike earned as a result of sponsoring these athletes in relation to the amount of money Nike donated to the various charities or social issue campaigns of these athletes. Also, the amount of each athlete's sponsorship contract is disclosed except Colin Kaepernick, but the donations or percentages of the proceeds from various campaigns or products given to these charities or campaigns are undisclosed. Does the lack of transparency in relation to Nike's support of these social issues imply Nike values profit more than making progress on social issues affecting underserved communities? Are there other competitors who have tried to mimic Nike's CSR strategy of elite athletes? How can consumers, especially minority consumers, hold Nike and other organizations accountable for its CSR claims? Nike is great at provoking emotion of society by the creative campaigns but does little to further the agenda of offering a solution.

References

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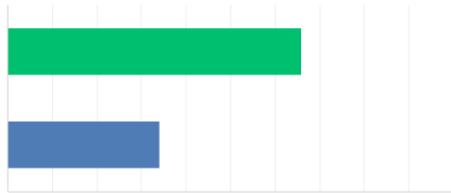
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Appendix

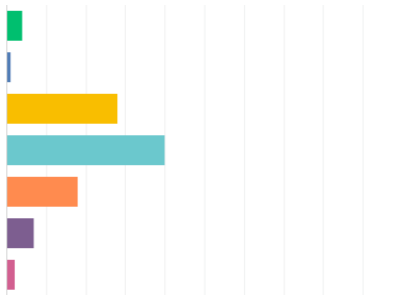
Q1. What is your gender?



Female: 66%

Male: 34%

Q2. Age



Under 18-4%

18-24-1%

25-34-28%

35-44-40%

45-54-18%

55-64-7%

65+-2%

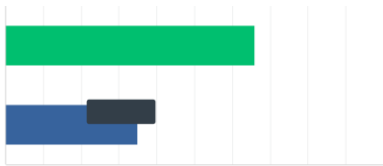
Q3. Race

Black/African American 77%

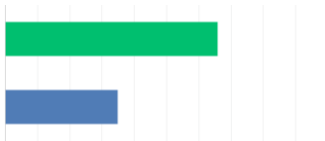
Hispanic-7%

Other-2%

White -14%



Q.4 Can you identify two athletes Nike sponsors and the social issues that each athlete addresses?



Yes-66%

No-34%

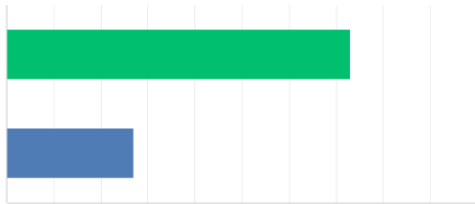
Q.5 Does Nike sponsor minority athletes who address controversial social issues?



Yes-79%

No-21%

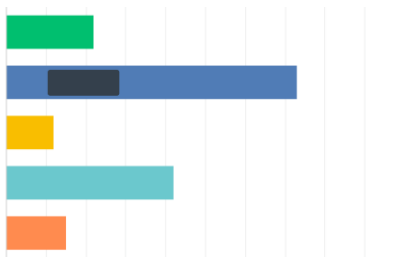
Q6. Does Nike have a responsibility as an organization who sponsors athletes, to support the social issues of the athletes that the corporation endorses?



Yes-73%

No-27%

Q7. What reason(s) do you purchase Nike Products



Price-22%

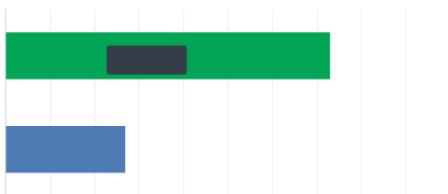
Quality-73%

Company Values-12%

Athletic Products-42%

Other-15%

Q8. Would you be willing to pay more for a product if a portion of the proceeds were given to an organization that addressed social issues such as police brutality, gender equality, or environmental issues?



Yes-73%

No-27%