

SPORT SPONSORSHIP AS A STRATEGIC HUMAN RESOURCE MANAGEMENT DEVICE – A CASE STUDY FROM A DANISH CORPORATION

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Aim

This study investigates how a company uses an elite sport sponsorship as an internal strategic Human Resource Management (HRM) tool. The aim is twofold: First, it explores the rationale behind the decision to use a sponsorship as a HRM device. Second, it outlines how the employees perceive the sponsorship. The company is one of the largest and most profitable insurance corporations and the sponsored object is the most successful Danish Olympic competitor in recent time (three gold and two bronze medals since Atlanta, 1996). The sponsorship was targeted at employees who daily were confronted with customers via telephone-based support. The corporate goal was to reduce the percentage (<5 %) of dissatisfied customers and increase the number of customer ambassadors (i.e. increase the positive word-of-mouth marketing effect). The company brought three themes into focus (health, employees' competencies and improvement of teamwork) and sought to integrate sport (rowing) logics in the corporate culture e.g. by setting up competitions between employees belonging to the five business areas of the company. 2011 was an implementation year, while first part of 2012 was used to reach peak performance.

Literature review

Engaging in sponsorships enables a company to develop specific resources that might provide the company with a competitive advantage (Amis, Slack & Berrett, 1999). Cornwell (2008: 41) speaks about a new era of corporate communication denoted 'indirect marketing' where sponsorships with increasing frequency are used to fulfill internal goals. Recently, Farelly, Greyser and Rogan (2012) emphasized that *Sponsorship Linked Internal Marketing* is an area that focuses on the internal use of a sponsorship. They explicitly mentioned HRM as a discipline of interest, but concluded that research in this area is scarce and when it comes to measuring the outcome of such internally orientated sponsorships, research is limited. The use of sport as a component in strategic HRM does not seem to be prevalent in HRM research either (Lengnick-Hall, Lengnick-Hall, Andrade & Drake, 2009).

Research design

This case-study is based on a mixed method approach and theoretically inspired by a critical realist foundation (Tourish, 2013). Semi-structured interviews (n. 10) were conducted (Autumn 2011 to December, 2012) with top managers of the company, the staff daily managing the sponsorship, two rowers and the sport chief of the Danish Rowing Federation and finally with two focus groups (3 persons) of employees from two different business areas (agriculture and private & partners). A survey was conducted September, 2012 (employees belonging to customer service support staff, n.653 - respond rate 66%, among them n.64 mid-level managers). Dependent outcome variables included questions concerning the staffs' abilities to improve: 1) personal performance, 2) customer communication, 3) team work and 4) perceptions of competition between business areas, 5) willingness to work for the company and 6) provide more. Independent variables were among others: a) initial personal interests in the rowing team, b) own engagement in the campaign, c) position, d) age, e) seniority and f) perception of the commitment of your closest manager. A multiple regression model was conducted. Finally, access to data from the company's internal customer satisfaction rating system (ASMA) both prior to, during and after the cessation of the sponsorship were used.

Results, discussion, implications

Managers' statements indicate that this sponsorship is a corporate decision that seeks to transform its marketing away from mass communication into internal marketing with the purpose of lifting "...the company where we wanted it to go" (quote: marketing director, 2012). Thus the sponsorship becomes a means for internal strategic HRM which aims at fulfilling the strategic goal of improved customer support. Descriptive results of the survey show that half of employees (46-48%) believe that the sponsorship has improved their ability to communicate with customers, focus better on performing their personal best and improve colleague co-operation. 47% were positive towards the internal competitive aspect of the sponsorship while 5% perceived this as a negative feature. Two predictor variables (own engagement and initial personal interests) were significantly related to all outcome variables. In addition to these two predictor variables, the engagement of the closest leader was significant in predicting ability to improve customer communication. The data concerning customers' rating indicate that all five business areas of the company by May 2012 have managed to decrease the amount of dissatisfied customers (although none of them have managed to go below 5%) and increase their ambassador rate (compared to an indexation based on results ultimo 2010). Of utmost interest is that this positive trend has been maintained more than half a year after the cessation of the sponsorship (February, 2013) thus indicating a more persistent effect.

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